German jobless

East meets west and jobs go

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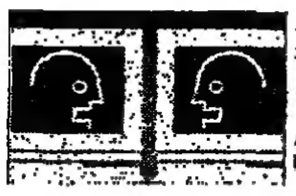

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High speed strain

Alarm signal for French railways

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Is haute couture worth the cost?

FINANCIAL TIMES

Europe's Business Newspaper

FRIDAY JANUARY 28 1994

New problem for Clinton as deputy justice chief quits

The acute personnel problems of US President Bill Clinton's administration were compounded by the abrupt resignation of Philip Heymann, number two at the justice department.

Mr Heymann cited differences in "operating and management style" with his boss, attorney-general Janet Reno. Both said there were no philosophical or political disagreements but the personal chemistry, in Mr Heymann's words, "was not right". Page 16

Polish advance for Murdoch: Rupert Murdoch's News Corporation has made its first big breakthrough in commercial television in eastern Europe as a member of a consortium that has won the licence for Poland's first commercial channel. Page 16

Critical talks in S Africa: South Africa's future hung in the balance as negotiators from the rightwing Freedom Alliance met the government and the African National Congress for talks which all sides said represented the last chance to ensure rightwing participation in April's all-race elections. Page 6; Sweden stops ANC aid, Page 6

Salomon Inc, the New York investment banking group with a volatile earnings record, announced more than tripled fourth quarter net income to $476m as it shared in a record-breaking year for the US securities industry. Page 17

US may end Vietnam embargo: The US moved towards closer relations with Vietnam when the Senate voted to urge President Bill Clinton to lift the trade embargo in place since the fall of Saigon in 1975. Page 16

Cautious start by newly independent bank

The newly independent Bank of France made a cautious start by setting a general goal for money supply expansion of "around 5 per cent" for the medium term, rather than any more precise target for this year. The new monetary stance, set out by governor Jean-Claude Trichet (left), is unlikely in itself to put a break on the Balladur government's hopes for an early economic recovery. Page 2; Lex, Page 16

Strike hits Spain: Spanish riot police clashed with pickets across the country as unions staged a 24-hour strike in protest at the government's planned reform of the labour market. Page 2

IBM UK, hardest hit of the computer manufacturer's national subsidiaries in 1992, recovered strongly last year, cutting pre-tax losses to £174m ($261m), compared with £767m in 1992. Page 17

AT&T, US communications and computing group, reported a slight dip in fourth quarter net income after special charges, but a 15 per cent increase in earnings excluding the provisions. Page 17

Turkey tightens monetary policy: Turkey unveiled tight monetary measures to bolster confidence in the lira in the wake of a 11.97 per cent devaluation of the currency.

Rise in UK insured exports: The value of exports insured by the UK's export credit agency rose to its highest level for nearly 10 years in the 12 months to March 31 1993, signalling a strong performance by British exporters. Page 7

Usinor Sacilor: Provisional losses at the French state-owned steel group, which more than doubled last year to FFr5.8bn ($970m), illustrated the weak financial state of some of the companies slated for privatisation. Page 18

China-Russia trade pact: China and Russia signed an agreement covering 21 border crossings to facilitate booming two-way trade worth nearly $8bn last year. Page 7

Hosokawa pleads for support: Japanese prime minister Morihiro Hosokawa passionately appealed for public support for his plans to reform the electoral and political system. Page 6

Mine gas kills 55: Fifty-five miners trapped for two days by fire at the state-owned Newkenda coal mines 260km north of Calcutta were all found gassed to death yesterday.

Delecour wins Monte Carlo rally: François Delecour of France, driving a Ford Escort, won the Monte Carlo rally. He finished 1min 5secs ahead of world champion Juha Kankkunen of Finland in a Toyota Celica.

■ STOCK MARKET INDICES

FT-SE 100:	3,427.3	(-8.8)
Yield	3.44	
FT-SE Eurotrack 100	1,406.68	(+5.70)
FT-SE-A All-Share	1,720.79	(-0.2%)
Nikkei	18,891.79	(-246.42)
New York: lunchtime		
Dow Jones Ind Ave	3,907.16	(-0.84)
S&P Composite	474.78	(+1.56)

■ US LUNCHTIME RATES

Federal Funds:	3%
3-mo Treas Bills: Yld	2.972%
Long Bond	99⅓
Yield	6.292%

■ LONDON MONEY

3-mo Interbank	5⅛%	(Same)
Liffe long gilt future.	Mar 118⅜	(Mar119⅛)

■ NORTH SEA OIL (Argus)

Brent 15-day (Mar)	$14.30	(14.31)

■ Gold

New York Comex (Feb)	$377.4	(384.6)
London	$382.2	(383.55)

■ STERLING

New York lunchtime:		
$	1.4965	
London:		
$	1.4925	(1.4926)
DM	2.6031	(2.6089)
FFr	8.8364	(8.8534)
SFr	2.1949	(2.1976)
Y	163.302	(164.807)
£ Index	82.2	(82.4)

■ DOLLAR

New York lunchtime:		
DM	1.74125	
FFr	5.9145	
SFr	1.47	
Y	109.65	
London:		
DM	1.7441	(1.748)
FFr	5.9205	(5.9317)
SFr	1.4706	(1.4724)
Y	109.415	(110.42)
$ Index	67.0	(67.3)

Tokyo close Y 109.55

Euro Disney drawing on $175m from US parent

By Alice Rawsthorn in Paris

Euro Disney, the struggling leisure group, is understood to have run out of money and to be dependent on the financial support of Walt Disney, its US parent.

Walt Disney made a provision of $350m in its figures for the fourth quarter of the year to September 30 partly to cover its exposure to Euro Disney. It has earmarked $175m of that sum to meet the cost of providing limited financial support to the European group during the current quarter.

Euro Disney, which is trying to negotiate an emergency financial rescue package with its creditor banks, warned last year that it could face a serious cashflow crisis during the early weeks of 1994.

Neither it nor Walt Disney would comment on the financial position. But Euro Disney is understood to be no longer financially self-supportive. The US group, which owns 49 per cent of Euro Disney, has promised to provide enough money to meet its working capital and short-term investment requirements until March 31, giving it enough time to complete negotiations with the banks.

However, Walt Disney has warned the banks that it will only support Euro Disney until the March deadline. If the two sides have not agreed terms for a financial restructuring by then, Walt Disney has said it will withdraw support. Euro Disney would then almost certainly go into receivership and the lavish EuroDisneyland theme park outside Paris would close.

Meanwhile the Euro Disney banks are preparing for a special meeting in Paris next Wednesday at which they will discuss the findings of an investigative audit commissioned from KPMG Peat Marwick, the accountancy group.

The audit will be used to formulate the banks' negotiating strategy in the restructuring talks. KPMG was asked by the banks to assess the present financial condition and future requirements of Euro Disney and to evaluate its corporate strategy.

Walt Disney has already asked the banks to consider a series of restructuring proposals that include halving Euro Disney's FFr20.3bn ($3.41bn) debt through the combination of a FFr5bn rights issue and a debt-for-equity swap.

The banks, which have formed a steering committee led by Banque Nationale de Paris and Banque Indosuez, are expected to demand concessions from Walt Disney such as waiving its entitlement to royalty fees on Euro Disney merchandise and ticket sales. The US group might also be asked to pump capital into Euro Disney by buying assets, notably the EuroDisneyland hotels.

Franco-US row erupts over action in Bosnia

Washington not 'standing by' in crisis, insists Christopher

By Jurek Martin in Washington and David Buchan in Paris

Western disagreements over how to end the Bosnian civil war yesterday erupted into angry recriminations between Paris and Washington as Mr Warren Christopher, the US secretary of state, flatly denied French assertions that the US had washed its hands of the crisis.

He was responding to comments yesterday by Mr Richard Duqué, the French foreign ministry spokesman. Hitting back at earlier remarks by his State Department counterpart, Mr Mike McCurry, that France was resorting to "a very strange moral calculus" in insisting that the US exert full pressure on the Bosnian Moslems, Mr Duqué retorted: "If we are talking on a moral level, the choice today is between merely watching the fighting and doing everything possible to stop it."

Mr Christopher insisted: "The US is not standing by, by any means." He repeated the US support of Nato resolutions which could lead to the use of air power in support of United Nations peacekeeping and humanitarian operations, specifically to reopen the airport at Tuzla and to relieve Canadian troops besieged in Srebrenica.

Mr Boutros Boutros-Ghali, UN secretary general, yesterday received a report from Mr Yasushi Akashi, his special representative in the former Yugoslavia, detailing UN military plans, including the possible use of air power, to secure these two goals.

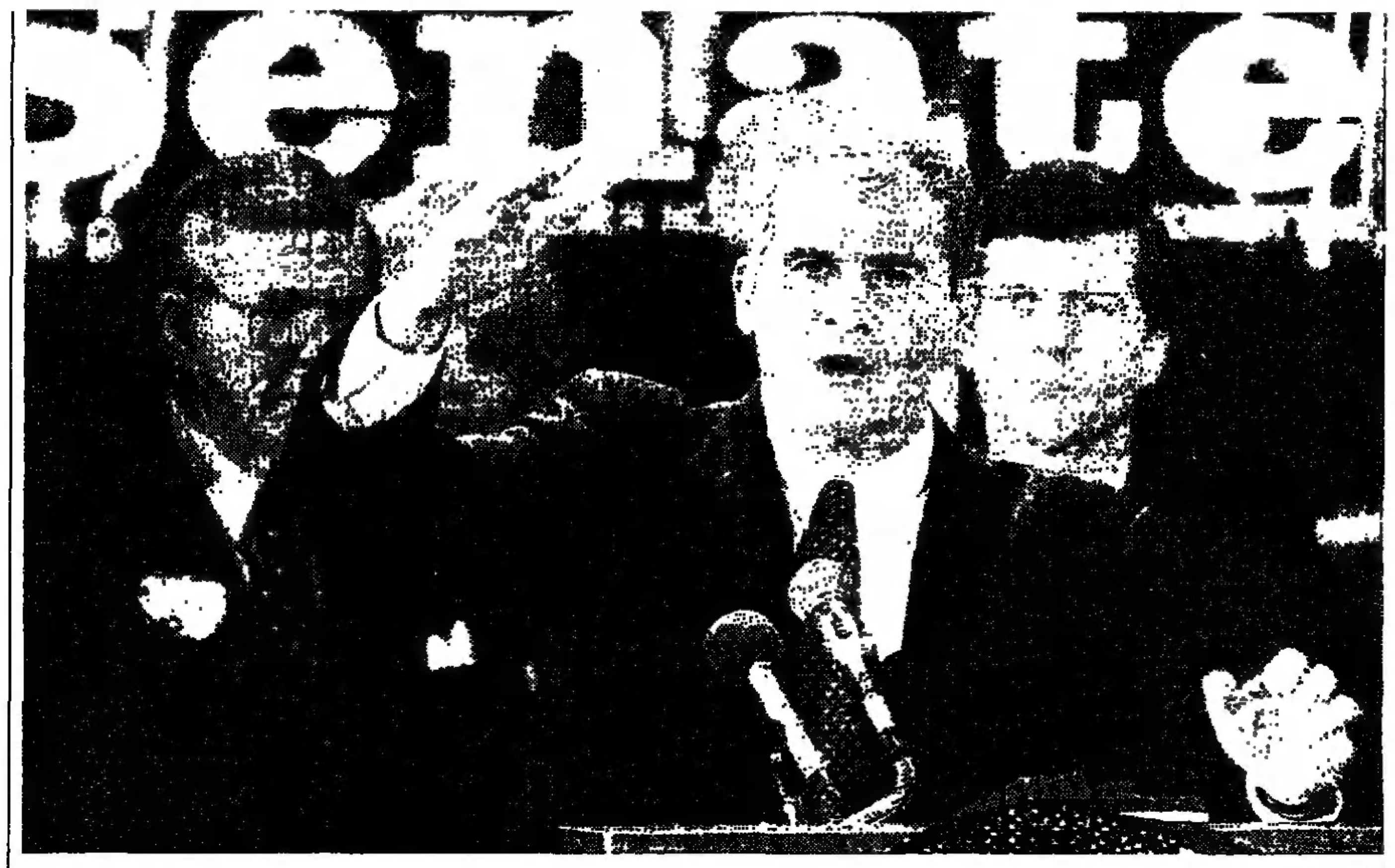
Mr Christopher said: "We're quite prepared to pursue the president's commitment to take action when UN military plans are drawn up," adding that both President François Mitterrand and Mr Edouard Balladur, prime minister, "were supportive on these points".

He also firmly rebuffed what were seen in Washington as French demands that the US send troops to Bosnia. "The US does not believe it should put in ground forces in order to require the parties to enter into a settlement. We think it would be inappropriate to insist that the victim, the Bosnian government, conform to some pre-existing plan," he said.

In Paris, however, Mr Duqué said France had never proposed imposing a settlement by force or a massive military intervention, only bringing more diplomatic pressure to bear on all sides.

Despite yesterday's exchanges with Washington, the French government made clear it intends to continue trying to convince the US of the merits of a more concerted diplomatic support for the European Union's peace plan

Continued on Page 16



Associated Press

Former Iran-Contra figure Oliver North challenged Democratic senator Charles Robb for his Virginia seat during a rally in the US state

German workers pay for past deals

By Christopher Parkes in Frankfurt

German engineering workers, threatening warning strikes in pursuit of higher pay, were yesterday offered grim reminders of the cost of deals in the past.

Figures published yesterday showed the automotive and mechanical engineering industries alone shed 240,000 jobs last year. Ms Erika Emmerich, president of the VDA vehicle makers' association, said the loss of 70,000 automotive industry jobs, after 60,000 in 1992, was only partly due to a 23 per cent slump in 1993 output.

"The need to restore international competitiveness through a reduction in costs is just as important," she said. Labour costs in a German car factory last year, at DM49.60 an hour, were still almost double those in the UK, according to VDA officials.

Wage costs had to be reduced and working times must be more flexible. "That is the only way we can maintain Germany as a vehicle production base," she said.

Mr Wolfgang Koch, a regional leader of the VDMA mechanical engineering association, reported the loss of 170,000 jobs in 1993 and said the erosion would continue.

While both officials, representing Germany's biggest industries, acknowledged the worst of the recession was past, they held out little hope of a speedy recovery. Ms Emmerich predicted "stagnation" in the motor trade.

Regional negotiations on the IG Metall union's 6 per cent pay claim ended without any apparent movement from either side last night. The national leadership is expected to decide today whether to go ahead with threatened warning strikes starting on Monday.

Presenting their traditional annual industry reviews at a particularly delicate moment, Ms Emmerich and Mr Koch were careful to avoid inflaming tempers or to overestimate the impact of signs of recovery, more of which emerged yesterday.

The Ifo economics research institute, for example, reported that capacity use in manufacturing industry had increased from 78 per cent in September to 79 per cent last month.

BMW forecasts improvement, Page 18
Bosch turnover suffers, Page 18

SEC to seek more competition between US equity markets

By Richard Waters in Washington

The New York Stock Exchange's dominance of share trading in the US is likely to come under greater attack following yesterday's unveiling of an overhaul of the rules governing the US equity markets.

The changes are the result of a two-year study by the Securities and Exchange Commission, set up to investigate whether the framework of securities regulation in the US has kept pace with changes in the way the markets operate.

While promoting greater competition between the NYSE and others for share trading, the SEC backed away from full-scale deregulation. "We concluded that the US markets are working very well as they are," said Mr Brandon Becker, director of market regulation.

The regulators have instructed the NYSE to amend two rules which prevent trading in listed companies from being conducted on other markets. Companies will no longer need the support of two thirds of their shareholders to abandon their listing on the NYSE, but will be able to make the move subject to board approval.

The big broking firms who are members of the NYSE – the world's biggest exchange – will also no longer be forbidden from transacting business elsewhere when the exchange is closed, although the rule will still remain in force while the market is open.

The second of these changes should help attract back to the US share trading business which is currently handled abroad, particularly in London, the SEC said.

The SEC also backed away from the imposition of heavy new regulations on the private trading systems and broker-dealers who are already handling an increasing amount of business away from the NYSE and other exchanges.

The development of these alternative trading mechanisms has spurred the exchanges to improve their own services and it has also helped to bring down costs for investors, it said.

The review, known as Market 2000, was the SEC's first extensive look at its rules since the early 1970s when its report led to the ending of minimum fixed commissions.

Last year, the NYSE handled 79 per cent of the share trades in stocks it lists, while 10 per cent of shares were traded on other stock exchanges, 6 per cent were traded between broker-dealers, around 1.4 per cent were traded on private trading systems and 2.5 per cent were traded abroad.

Officials at the NYSE have argued in the past that investors would benefit from regulations which would serve to concentrate business on a single, central market. They were not immediately available for comment as the report emerged yesterday lunchtime.

Investor power, Page 8

Austria	Sch32	Greece	Dr350	Lux	LFr65	Qatar	QR13.00
Bahrain	Din1.250	Hong Kong	HK$18	Malta	Lm0.60	S.Arabia	SR11
Belgium	BFr65	Hungary	Ft185	Morocco	MDh15	Singapore	S$4.30
Bulgaria	Lev35.00	Iceland	IKr215	Neth	Fl 4.00	Slovak Rp	KSL50
Cyprus	C£1.10	India	Rs60	Nigeria	Naira50	South Africa	R12.00
Czech Rp	CZK50	Israel	Shk6.90	Norway	NKr17.00	Spain	Pta225
Denmark	DKr16	Italy	L3000	Oman	OR1.50	Sweden	SKr16
Egypt	E£5.00	Japan	Y500	Pakistan	Rs40	Switz	SFr3.30
Finland	FM14	Jordan	JD1.50	Philippines	Pso50	Syria	S£50.00
France	FFr9.00	Kuwait	Fils.625	Poland	Zl32,000	Tunisia	Din1.500
Germany	DM3.50	Lebanon	US$1.50	Portugal	Esc225	Turkey	L10000
						UAE	Dh12.00

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Bank of France sets money goal

By David Buchan in Paris

The newly-independent Bank of France made a cautious start yesterday by setting a general goal for money-supply expansion of "around 5 per cent" for the medium term, rather than any more precise target for this year.

The French central bank said the aim underlying this goal for M3, a broad definition of money that includes short-term mutual funds, was to raise growth in the French economy to between 2.5 per cent and 3 per cent a year by the late 1990s, while keeping inflation at "no more than" its current annual pace of 2 per cent. The banks' new monetary stance – which Mr Jean-Claude Trichet, the governor, said had been decided "collegially" with his eight fellow members of the new independent monetary policy committee – is unlikely in itself to put a break on the Balladur government's hopes for an early economic recovery.

Indeed, some economists commented yesterday that the bank was perhaps being optimistic because investment cutbacks in recent years may now have reduced France's low-inflation growth potential to below 2.5 per cent a year.

But the bank also said yesterday that, as well as providing scope for economic recovery, it placed equal weight "on stabilising the external value of the currency" in line with its central rate in the European Monetary System, which was left unchanged by last August's crisis.

Mr Trichet said that since then the bank "has followed a policy of prudent and gradual reduction of short-term interest rates ... aimed at preserving the external and internal value of the franc and letting the economy benefit from the best medium-and long-term financing conditions". It would continue the same policy, he implied.

Asked to what extent the newly-independent central bank was taking France's record unemployment rate of over 12 per cent into account, Mr Trichet said the fact that France could now borrow over 5-10 years at rates which, Japan apart, were "among the lowest in the Group of Seven countries", should ensure "fairly substantial medium-term growth".

Mr Trichet was at pains to stress that there was nothing new about the central bank's decision not to set a precise spread for M3 money growth in 1994, as it had done a year earlier in setting a 4-6.5 per cent target range for 1993. Other central banks had sometimes been similarly vague, he said.

But what is new is the bank's evident mistrust of M3 as a reliable sole indicator of the country's money supply, as a result of last year's experience when M3 actually shrank by 1.6 per cent between end-1992 and end-1993. This contraction was far greater than that in the real economy, and was caused, according to the bank, by massive shifts of money out of mutual funds (which are included in France's definition of M3) into non-monetary assets like "Balladur bonds" and shares of privatised companies.

The bank warned that the savings shifts could reoccur or be reversed in 1994, and "this is why no range has been specified either side of the medium term objective".

The Lex Column, Page 16

Belarus reformist leader Stanislav Shushkevich addressing parliament after being voted out of office amid accusations of corruption. Communists are now expected to resume power AP

EIB chief questions need for new bonds

By Lionel Barber in Brussels

The European Investment Bank yesterday cast doubt on the need for new lending instruments such as "Union bonds" to fund large rail, road and telecommunications projects in Europe.

Sir Brian Unwin, EIB president, said the bank had plenty of spare lending capacity to fund so-called trans-European networks. This would remain the case for at least the next two years.

Sir Brian was speaking in Brussels where he reported that EIB lending last year had risen by 15 per cent to Ecu19.6bn ($21.75bn), compared to Ecu17bn in 1992. Around Ecu7.8bn was advanced to trans-European networks.

Late last year, the European Commission, acting on the suggestion of Mr Jean-Luc Dehaene, Belgian prime minister, produced plans to raise money at cheap rates to lend on to governments to fund the infrastructure projects.

The plan aroused concern in the UK and Germany which questioned the suggestion that there was a financing gap.

Under a compromise, the Commission has set up a working party including senior officials from all member states – as well as Sir Brian – to first identify "sensible, viable and economic" projects and then tackle the financing issue.

In 1993, the EIB channelled Ecu12.5bn to the poorer regions of the Union. Spain, Portugal, Greece and Ireland attracted 37 per cent of total EIB lending.

The bank also doubled lending outside the EU in Asia, Latin America, and central and Eastern Europe to Ecu1.9bn. It is gearing up for a role in the occupied territories of the West Bank and Gaza as well as post-apartheid South Africa.

However, Sir Brian made clear he has no interest in being drawn into Russia which was "a wholly new and difficult area".

He expressed optimism that the new European Investment Fund designed to help small and medium-sized businesses would be up and running by April. A consortium of private banks from all 12 member states is expected to put up the required 30 per of the EIF share capital shortly; but Spain, Italy and Luxembourg have yet to ratify amendments to the original statute of the EIB.

Berlusconi the politician makes a poor debut

By Robert Graham in Rome

The decision of Mr Silvio Berlusconi, the media magnate, to enter politics has provoked a stream of hostile comments and received scant support.

The negative reaction came yesterday both from politicians and the media. The only positive comments came from within Mr Berlusconi's own media empire whose leadership he formally renounced on Wednesday when he threw his hat into the political ring.

The only political grouping to welcome Mr Berlusconi's move was the National Alliance, the recently re-baptised MSI neo-fascist movement headed by Mr Gianfranco Fini. The Alliance looks the most likely ally for Mr Berlusconi.

In contrast, Mr Umberto Bossi, the leader of the populist Northern League, and another potential ally, reacted coolly. He dismissed Mr Berlusconi's movement, Forza Italia, as "not a real party".

The most consistent criticism directed against Mr Berlusconi was on the grounds that he would split the Liberal-Democrat vote rather than bring it together as he pledged. This fear was repeated both by newspaper commentators and by Mr Mario Segni, the leader of the Referendum movement.

Mr Eugenio Scalfari, editor of La Repubblica and long-standing critic of Mr Berlusconi, said Mr Berlusconi's claim to represent a new force in Italian politics was spurious. His business fortune had been based on a virtual monopoly in commercial television permitted because of his close links with discredited politicians such as Mr Bettino Craxi, former Socialist leader.

Mr Berlusconi has yet to outline how he intends to maintain his distance from his Fininvest business interests. He has declined to relinquish ownership of his empire, merely daily management. Mr Fedele Confalonieri, his close aide, is expected to take over the chairmanship while the main management of Fininvest will be in the hands of Mr Franco Tato, the former chief executive of Mondadori publishers.

Meanwhile another businessman is leaving politics. Mr Luciano Benetton, head of the clothing business, said he would not stand again as a senator. He stood for the Republican Party in the April 1992 elections, but in an open letter yesterday he said his obligations were towards running the family business.

Spanish clashes in reform strike

By Peter Bruce in Madrid

Spanish riot police clashed with pickets across the country yesterday as trade unions staged a 24-hour strike in protest at the government's plans to reform the labour market.

The unions claimed that 8m workers took part in the stoppage but employers insisted that some 70 per cent of businesses operated normally.

The government was maintaining a low profile, however, as it became increasingly clear that the strike had failed to have as serious an impact as expected outside of the poor and heavily-industrialised areas.

Clashes between strikers and police took place in Madrid and the cities of Burgos, Málaga, Zaragoza, and San Sebastián and dozens of people were reported injured and more than 50 arrested. Traffic in Spain's large cities fell off as people stayed away from work, many preferring to take a day off rather than face hundreds of pickets spread about the country by the two main Spanish unions, the General Workers' Union and the Workers' Commissions.

But the government appeared to have been able to guarantee minimum public transport services in most cities and the prime minister, Mr Felipe González, now seems likely to offer only token recognition to the strikers in the next few days. This will probably take the form of a government statement applauding the lack of serious violence.

It is likely the lower than expected impact of the strike means the government will stick to its resolve not to renegotiate the reforms.

Reformers urge Yeltsin to resist policy switch

By Leyla Boulton in Moscow

President Boris Yeltsin's supporters have told him he is courting disaster at the next elections if he endorses the government's change in economic policy and fails to crack down on organised crime.

Mr Sergei Yushenkov, a leader of Russia's Choice, the electoral bloc which includes some of the president's oldest supporters, said Mr Viktor Chernomyrdin, the prime minister, would "try to curb economic reform and his latest steps prove it".

Amid reports that Mr Chernomyrdin has already ordered more state credits for ailing enterprises, Mr Yushenkov called for his dismissal.

"We hope the president will at last realise the danger of curbing economic reforms and take the necessary decisions."

Mr Yeltsin's spokesman, Mr Vyacheslav Kostikov, hedged his bets on how Mr Yeltsin would respond to the warnings. "The president did not expect such a bitter reaction from the democratic wing of society," he said.

Although he admitted that some of Mr Chernomyrdin's statements had been a cause for concern, he said Mr Yeltsin would watch how the new government behaved in practice."

The president was also advised yesterday by Mr Pyotr Filippov, one of his senior aides, to create special security forces to fight Russia's mafia. Otherwise extremists like Mr Vladimir Zhirinovsky might win presidential elections in 1996 by promising draconian measures to fight a breakdown in law and order.

Meanwhile, on a two-day visit to Rome, Mr Chernomyrdin, was quoted as vowing to keep his country on a reformist course.

He told Italian Prime Minister Carlo Azeglio Ciampi he hoped Russia would be admitted to the Group of Seven industrialised nations this year, and that his country aimed to work towards full membership of the European Union.

Commission proposes to extend immigrants' rights

By David Gardner in Brussels

Immigrants legally resident in any country of the European Union should have the right to travel and seek employment in all other member states, even if they are not citizens of any EU member, according to a forthcoming document from the European Commission.

The idea, contained in a policy document the Commission is expected to send to the Council of Ministers of the 12 next month, is certain to meet fierce resistance from an EU still unprepared to grant free movement to its own citizens, although the latter is a legal requirement both of the single European market and the Maastricht treaty.

The draft Commission position is contained in a "communication" to the Council of Ministers on immigration and asylum policy. This does not yet have full Commission support, nor will it have the force of a legislative proposal. But under Maastricht, the EU is called upon to play a bigger role in immigration and visa policy, hitherto the subject of secretive, and frequently inoperative, intergovernmental co-operation between the 12.

The recent scale of immigration into the EU – especially from the former Yugoslavia and central Europe – has spurred EU governments to seek more co-ordination on curbing this influx. The 12 are also groping towards a common definition of political refugees as opposed to ordinary immigrants, many of whom seek a new life in western Europe under asylum procedures which vary throughout the EU.

The Commission paper also addresses the need to combat the recent upsurge in racist attacks against immigrants, and policies to promote their integration into host communities.

Intra-EU mobility for legal residents is part of this integration process, according to Mr Padraig Flynn, the EU commissioner responsible for social policy and immigration issues.

"I know that's a big step, and it may be necessary to take smaller steps in that direction, but that's what I'm aiming for," Mr Flynn says.

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Case of déja vu on EU travel

By Alan Cane

The row over the most recent delay in implementing the computer system underpinning the Schengen free-travel accord reeks of *déja vu* to those involved in sophisticated information technology projects. The technology is rarely at fault; the management usually has a lot to answer for.

In this case the failure to appoint a prime contractor has led to an acrimonious squabble over responsibility for coordination of the project.

The row is over the failure of the nine European Union signatories of the Schengen accord to meet a February 1 target for ending passport controls.

The Schengen system is simple in essence. A central computer in Strasbourg holds police and immigration records. Officials in the nine member countries of the Schengen accord – the UK, Denmark and Ireland have excluded themselves – have access to the information over telecommunications links.

The technology is tried and tested. Siemens Nixdorf, the German computer manufacturer, is initially providing one, then a pair of mainframe computers to manage the central records.

Bull, the French computer manufacturer, is providing the telecommunications infrastructure, and Sema Group, the Anglo-French computing services company, is developing the applications software. It also takes overall responsibility for the system.

Each of the nine countries has responsibility for developing its own system, linking police and immigration authorities, and ensuring it is ready for connection to Strasbourg.

It is not much of a challenge by modern computing standards, yet the system has been delayed repeatedly and now is certain to miss the most recent target date of February 1 for ending passport controls. ...

If the present rate of progress is maintained, it could be 12 months before the system is ready. Even when the links are established, each national system will have to be thoroughly tested.

What has gone wrong and, more important, why? Everybody agrees the central system is in good shape and has been for some months.

The problem is that the essential links between the central system and the national systems are not all ready. Until the links are in place, system testing is impossible. At least three national systems must be connected if the system is to be tested realistically.

So far Belgium and the Netherlands have their links in place; France is expected to follow. Germany, however, is not ready to connect. Who is at fault? The Schengen authorities yesterday blamed Sema, arguing that it was contractually obliged to provide the linking software. Sema rejected the criticism.

Europe still seems to have some lessons to learn in project management. Schengen is not an episode to promote confidence that the EU can co-ordinate its efforts to create information superhighways or other large information technology systems.

Recession and blunders derail SNCF

John Ridding on attempts to regain passengers and freight and reverse the rail network's losses

The line of sleek high-speed trains pointing out from the Gare de Lyon in Paris provide a shining image of modern and efficient rail travel. But for users of the SNCF rail network the image has been tarnished.

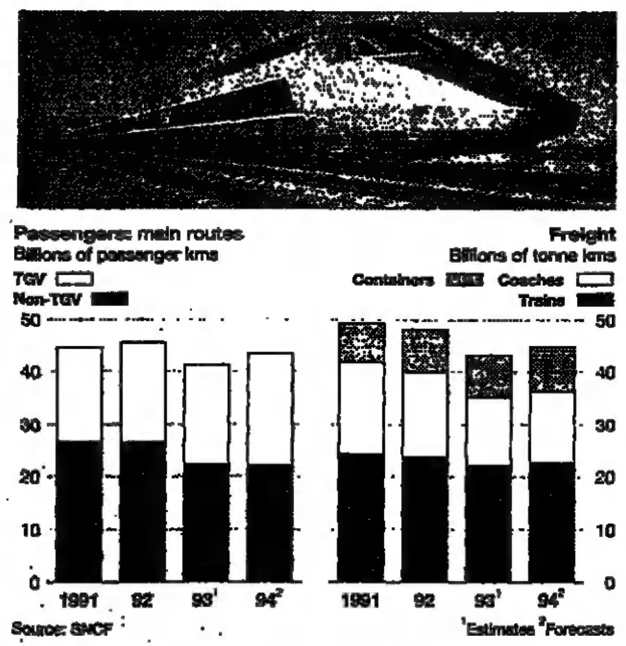
The state-owned railway is struggling to win back passengers and freight after one of the worst years in its history. In 1993, traffic fell by 7.5 per cent to 48bn passenger kilometres (the number of kilometres travelled by passengers) and the volume of freight fell by 10 per cent to 43.5bn tonne kilometres.

Final figures are expected to show total losses for the rail system of about FFr8bn (£900m), the biggest for more than a decade.

The reasons for the decline are partly to be found in the effects of recession which have reduced demand for rail travel and the transport of goods. However, the fall also reflects a series of commercial blunders, which have disenchanted passengers, and a structural decline in the attraction of rail freight.

Stung into action, SNCF's managers have launched a commercial strategy aimed at restoring the railway's image and reversing its financial performance. A new team, headed by Mr Jacques Berducou, took charge of SNCF's passenger operations at the end of last year, and has sought to identify and rectify the railway's problems.

SNCF passenger and freight traffic



Source: SNCF ¹Estimates ²Forecasts

Mr Richard Angé, chief assistant to Mr Berducou, estimates that more than half the decline in passenger traffic in 1993 could be put down to economic factors.

"Commuter services were hit by the effects of rising unemployment and depressed demand," he says. Inter-city traffic fell by about 9 per cent, while cross-border travel to Italy and Spain fell victim to the effects of currency depreciation in those countries.

It is the non-economic factors, however, which have really worried the SNCF. "We lost customers because of commercial problems and a damaging of our relationship with passengers," admits Mr Angé.

The principal culprit was an automated booking service, known as Socrates but which proved to be one of the railway's most unwise investments. Problems in the system's software quickly became apparent after its introduction at the beginning of last year. This, combined with a lack of training for SNCF staff, resulted in chaos at the ticket office.

"It was a catastrophe," says Mrs Simone Bigorgne of the FNAUT, the French federation of transport users. She cites the example of one member of her family who was forced to fly to Barcelona because Socrates did not recognise the Spanish city as a destination.

The problems with Socrates have now largely been resolved. Improved software and training means that that the system is now operating as planned, reducing transaction times and increasing information to passengers. But Socrates was not the only problem.

"There was a feeling we were too rigid in terms of price and access to trains," says Mr Angé. In particular, passengers complained about the cumbersome system of compulsory reservations for journeys on SNCF's Trains à Grande Vitesse and the complex pricing structure of rail fares.

'We lost customers because of commercial problems and a damaging of our relations with passengers . . . We were much too rigid in terms of price and access to trains'

On both counts, Mr Angé cites progress. The reservation fee on TGV lines has been reduced from FFr18 to FFr3, and it is no longer an automatic offence to board a train without a ticket.

As of this week, the pricing system has been simplified and a series of discounts has been introduced on high-speed lines.

Attempts to improve services are, however, complicated by the group's financial position. The need to cut jobs, which has resulted in annual reductions in the workforce of more than 5,000 over the past few years, has sapped employees' morale. Strikes in protest at job cuts and the difficulty of investing in new trains, particularly on new lines, has caused delays and dissatisfaction, says the FNAUT.

Responding to economic conditions is also hard. With French economic recovery expected to be only gradual, SNCF is counting on the effects of new routes and more attractive prices to offset depressed demand. A high-speed circle line to the east of Paris is due to start operating in June, while the Channel Tunnel to Britain will provide a new source of revenues. Fare increases, announced this week, are being limited to an average of 1.2 per cent, to lure passengers from the roads and the airlines.

The combination of these various measures, says the SNCF, should allow passenger traffic to rise by its target of 5 per cent this year and to allow these operations to break even.

Ambitions in the freight services are still more modest, with a reduction in losses from last year's FFr2.5bn as the goal. In terms of market share and volumes, rail freight has been in steady decline since the early 1970s. The rise of competition from road hauliers and the shifting structure of France's economy away from products such as coal and steel has reduced the advantages of the railways.

SNCF is seeking to stem the decline in freight by developing its so-called combination operations, services which allow containers to be transported by both road and rail. Again, freight activities should receive a boost from the extension of the rail network.

SNCF estimates, for example, that about 6m tonnes of freight will travel through the Channel Tunnel every year from the second half of the decade.

But the problems facing freight run deep. Wooing disgruntled French passengers is delicate, but manageable. Seducing French industry is an altogether more difficult task.

Rexrodt plays for big stakes in energy

By Judy Dempsey in Berlin

By drafting legislation aimed at opening up Germany's energy sector to more competition, Mr Günter Rexrodt, the economics minister, is taking on part of the country's establishment, officials said yesterday.

Mr Rexrodt wants the country's electricity grid and gas networks to be thrown open to foreign and domestic competition. This would reduce energy prices, which for some categories are the highest in the European Union and break the political and economic influence held by giant utilities such as RWE, PreussenElektra and Bayernwerk.

Officials from RWE, the largest utility, said Mr Rexrodt's plan were not surprising. "Its not really a new theme [from the ministry] we are hearing. Let us see the final draft legislation," he said.

But officials from Veba, the energy-based conglomerate whose electricity subsidiary, PreussenElektra, holds a fifth of the market in western Germany, said the measures should be matched by greater competition in the rest of Europe. "Everyone says the energy sector in Germany is a monopolistic structure. But what about other EU countries," he said.

What makes Germany different is that there is no single formal regulatory body overseeing electricity pricing. The regional utilities, or the distribution companies, must agree their tariffs with local municipalities, which often own part of the utilities.

However, officials in Bonn and Brussels are sceptical that Mr Rexrodt can succeed, particularly in an election year, although they realise he has to try.

Leyla Boulton describes the western Mr Big with top-level connections in four former Soviet republics

The Soviet insider, the gold, and Kyrgyzstan's political innocents

Mr Boris Birshtein, a Soviet emigré who runs a Zurich-based trading company, enjoys the rare distinction of having caused the resignation of one country's government and of being involved in the downfall of another's vice-president.

As a result of the scandals which have erupted around him, his Seabeco group, with annual turnover of $500m, has attracted more publicity than otherwise warranted by its size. Since the Soviet Union's collapse, he has gained impressive access to the leaders of at least four of the new republics, offering them foreign trips and practical help in running their affairs.

Not surprisingly for the state-dominated economies of the former Soviet Union, where good political connections have always been essential to clinch deals, Mr Birshtein was able to expand his business with their assistance.

As the political leaders struggled with the problems of trying to establish functioning governments and market economies on the ruins of the monolithic Soviet system which concentrated expertise, resources, and talent in Moscow, his help came as a godsend.

But their inexperience and low pay made them prone to the corruption and incompetence which have fed nostalgia for the old Soviet Union – the sentiment on which Mr Vladimir Zhirinovsky, the Russian neo-fascist, campaigned to win a large chunk of the vote in last month's parliamentary elections.

Mr Birshtein can certainly point to simply being good at business in a half-reformed system where high-level political connections have long been essential for clinching deals. The information unveiled as a result of the scandals around Seabeco says more about the officials who have treated state property as their own and, in the case of Russia, exploited false allegations against him to settle political scores.

"It's not a secret for anybody that there is corruption in Russia but I'm not a policeman. I never in my life did anything illegal," says Mr Birshtein.

A native Russian speaker who started building up business contacts in Moscow after emigrating to Canada in 1979, Mr Birshtein was in a unique position to exploit opportunities offered by the Soviet Union's collapse in December 1991.

As Mr Birshtein told the Financial Times: "From 1982...I spent a lot of time, step by step, meeting a lot of people, building connections and relations. These connections led me to the top."

As the president of Kyrgyzstan, Mr Askar Akayev, then one of his eager partners, recalls: "Boris Birshtein made a big impression on us. First of all through his respectability. He had his own private jets, and when in Moscow, he stayed in places to which only the most powerful Politburo members had access. Birshtein did not hide this and was proud of his ties with the great and powerful of this world. Secondly, his commercial proposals corresponded to what we were looking for."

Nowhere is the inexperience of his partners clearer than in Kyrgyzstan, one of the smallest and poorest republics, where the entire cabinet resigned last month over allegations that Mr Tursun Chyngyshev, the prime minister, personally profited from a joint venture set up with Mr Birshtein to develop the republic's gold wealth.

In 1992 Mr Birshtein's private jets ferried 1.6 tonnes of gold concentrate from Bishkek, the remote Kyrgyz capital, to Zurich. In Switzerland, the gold was refined by a Swiss company called Metaux Precieux SA Metalor, and stored in the vaults of Union Bank of Switzerland as collateral for a $13.8m credit line to Kyrgyzstan. A parliamentary investigation claimed irregularities appeared in the spending of this money, as well as in the amount of gold finally put at the disposal of the Kyrgyz public purse in February 1993.

It also asked whether the gold was used secretly by Kyrgyz officials to raise funds for their own benefit before the credit line was made available in February 1993. Until then, ingots produced by Metalor from Kyrgyz concentrate were kept for an annual fee of 0.2 per cent at Banque Indosuez in Zurich in the gold deposit account of a Liberian-registered company called Wico International – in which 50 shares were held by Seabeco, and the remaining 450 by Kyrgyzstan.

But Mr Chyngyshev has come under particularly harsh scrutiny for joining the board of a joint venture called Seabeco Kyrgyzstan, whose founding documents describe its aims as "trading in goods of all kinds...financing of investment projects...consultancy in economic and financial matters...and purchase of real estate".

Illustrating the government's dependence on Mr Birshtein, who was even appointed head of an official committee for the reconstruction and development of Kyrgyzstan, the government said it paid $1.96m to Seabeco out of the $13.8m credit line. It said this was repayment for items including weapons for the leadership's bodyguard, four Volvo-940 limousines to ferry around the president and other high officials, and equipment to upgrade Kyrgyzstan's gold mining industry.

Again, as part of Mr Birshtein's helping hand strategy, Seabeco helped set up Kyrgyzstan's first international business school, which last month produced its first 40 graduates. It was also instrumental in bringing to Kyrgyzstan the man who devised its first market reform programme, Mr Charles McMillan, previously an adviser to Mr Brian Mulroney, the former Canadian prime minister.

But parliament challenges the government's version of how the government spent the $13.8m, including the payments made to Seabeco. Parliament said the weapons and cars were given to the Kyrgyz leadership by Seabeco but were subsequently described as a purchase to help the government plug holes in its account of how the money was really spent.

Although it is still not clear exactly how much money was pocketed by officials, Mr Akayev does not disagree with an estimate that at least $4m went missing.

"Even if it was just $4m, that is a substantial amount for a small republic like Kyrgyzstan," said Mr Ramazan Derildayev, deputy chairman of the commission which conducted the investigation.

"If people who are supposed to be monitoring the use of resources decide to enrich themselves, then you have to say they are corrupt. We hope that the fact the president understood us and that parliament supported us means there will be less ugliness in future."

In trying to unravel the Seabeco inheritance, the Kyrgyz parliament is also keen to review the contract for the development of Kyrgyzstan's Kumtor gold deposit awarded to Cameco, a Canadian mining company introduced to the Kyrgyz leadership by Mr Birshtein. Cameco is a well-known Saskatchewan company which is the world's largest uranium producer and has been looking for ways to diversify into other metals, such as gold.

Although they said they would now think twice about using Mr Birshtein as their agent because of the controversy which has erupted around him, Cameco executives said he did a good job in helping them arrange the deal. Since then, however, the repercussions of the Seabeco scandal have sufficiently alarmed Cameco to prompt its local representative to defend the deal in a Bishkek newspaper article.

The article said that Cameco had signed the deal only after verifying that it was in line with Kyrgyz law, that it had revised the terms of the deal several times to satisfy the Kyrgyz side, and that it had already invested $6m in the project and hoped to go ahead – but only on condition that the Kyrgyz side removed "uncertainty" over the deal. Parliament has set the new government – which includes many of its old ministers – a February 18 deadline to satisfy its queries. These include parliament's claim that the government should have sought tenders from rival companies before picking Cameco.

The Kyrgyz prosecutor's office is now examining the commission's findings to determine whether it has enough evidence to bring criminal charges against the ex-prime minister and other high officials.

Although he said he did not exclude greed, President Akayev, who has not been implicated in the affair, has blamed most of the losses on inexperience and incompetence of officials.

"I am sure that International Monetary Fund and World Bank's programmes fail in 90 per cent of cases because of bureaucrats," he said in a recent interview.

On Sunday, Mr Akayev is putting his own prestige on the line by asking for a vote of confidence in a nationwide referendum. Although he is expected to scrape through in a vote he initiated to avoid holding early parliamentary and presidential elections, the poll may well reflect disillusionment with his reformist but inexperienced rule similar to the results in last month's parliamentary elections in Russia.

That Mr Birshtein's deal-making success was commensurate with his access to the politicians is borne out by his achievements in Moldova, another small republic on the periphery of the former Soviet Union. There, Mr Birshtein's joint venture is headed by the republican president's son-in-law, Mr Artur Gherman. The former Communist party hotel, now called the Seabeco Hotel and the only place to stay for western businessmen and visiting officials in the capital Kishinyov, belongs to the joint venture, which also enjoys various import duty exemptions, and the rare right to set up casinos.

Mr Birshtein boasts that he arranged a meeting between the then Russian vice-president, Mr Alexander Rutskoi, and Moldova's President Mircea Snegur, which helped defuse a fierce conflict over Moldova's Russian-speaking enclave of Dnestr. "I had a meeting with the Moldovan president. He was very depressed. I said I see how you are suffering. I said I could arrange a meeting with Mr Rutskoi as I knew him."

It was in Russia that Mr Birshtein's practice of cultivating political ties to promote his business interests backfired against him spectacularly. Mr Birshtein's contacts went so high in the polarised Russian political world that by the summer of 1993, he found himself at the heart of a ferocious power struggle between Mr Yeltsin and two powerful opponents by then in open alliance, Mr Rutskoi and Mr Ruslan Khasbulatov, the parliamentary speaker.

Concerned about the effects of Russia's political instability on business, Mr Birshtein says he tried to mediate a truce between Mr Yeltsin and Mr Khasbulatov ("I got a meeting with the president. It's much simpler than you think"). Within weeks, however, the president's men produced allegations that Mr Rutskoi had received kickbacks from official imports of babyfood with Mr Birshtein's help, which were then used as a pretext to expel him from his Kremlin office.

A presidential decree suspending Mr Rutskoi "pending clarification" of the allegations proved little more than a manoeuvre to clear the way for Mr Yeltsin's unconstitutional dissolution of parliament on September 21. This was followed by Mr Rutskoi's leadership of the armed parliamentary rebellion on October 3, for which he is now awaiting trial.

However, four months after the initial corruption allegations were made, Mr Gennady Ponomaryov, the Moscow city prosecutor in charge of the case, has found "no evidence" to charge Mr Rutskoi with corruption. Now he wants to prosecute for slander the presidential officials who made the allegations in the first place.

The case provides the clearest illustration of how Russian politicians, including Mr Yeltsin, have used corruption allegations to discredit political rivals rather than to fight the corruption that is gnawing at the heart of Russian society.

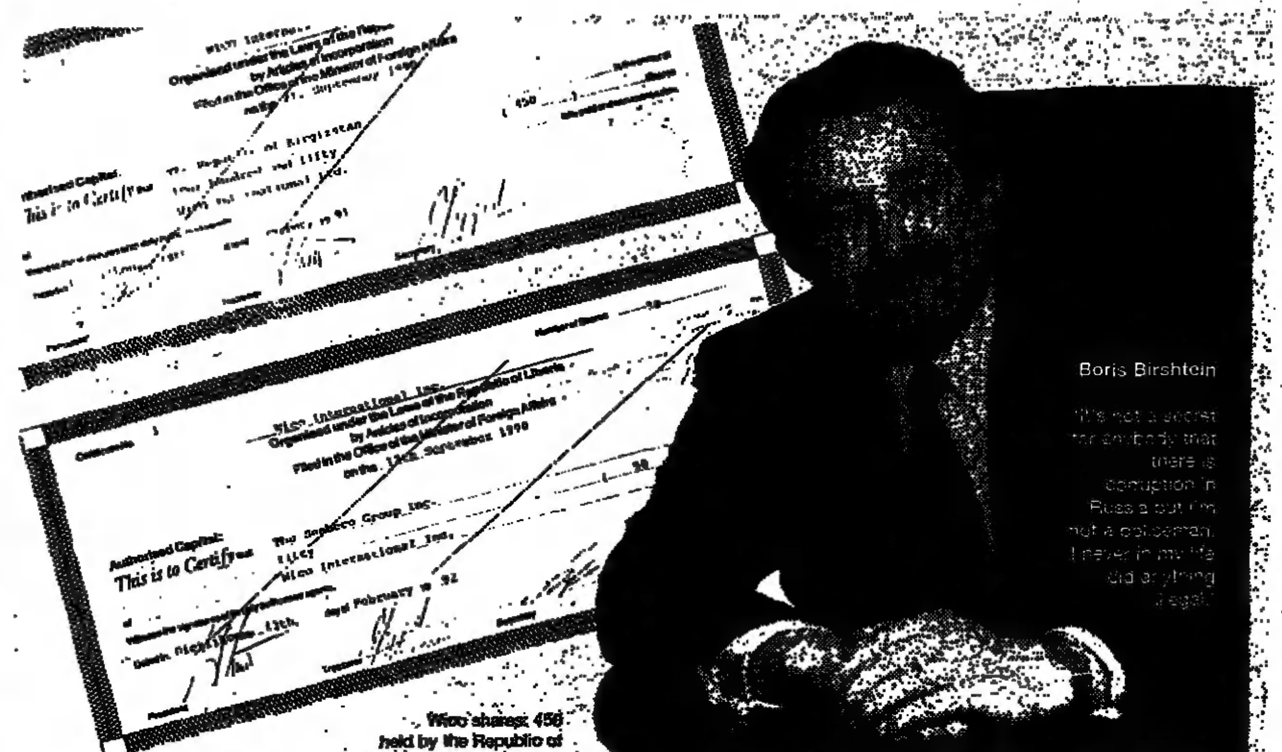
Mr Ponomaryov did, however, launch a criminal investigation into Agrokhim, a state-owned monopoly producer of mineral fertilisers, over its use of a joint venture with Mr Birshtein's Seabeco.

Mr Ponomaryov has queried a transfer of $5m from Agrokhim to the Seabeco Trade and Finance joint venture in the final years of the Soviet Union's existence, when managers of state enterprises began using foreign partners to keep state funds out of the country. The investigation appears to be trying to make the case fit a pattern. In other cases managers of state-owned companies have made money by fudging figures on the value of imports and exports and siphoning profits to joint ventures in the west.

Mr Yuri Orlov, a senior Agrokhim executive at the time, explains that the joint venture with Seabeco was a convenient vehicle for marketing fertiliser exports in the west and importing western equipment and consumer goods needed by the corporation at home. Claiming that state funds channelled through the joint venture were "strictly controlled" by the Soviet authorities, he said he saw nothing wrong with the fact that Agrokhim received part of the commission fees it paid to its own joint venture for selling its own fertiliser.

For his part, Mr Birshtein, who deplored damage done to his business by the allegations against him and Mr Rutskoi, says his only mistake was getting so closely involved in politics. "I'm never going to do anything like that again," he said. "Everybody has to know their place. If you're a businessman, don't touch politics."

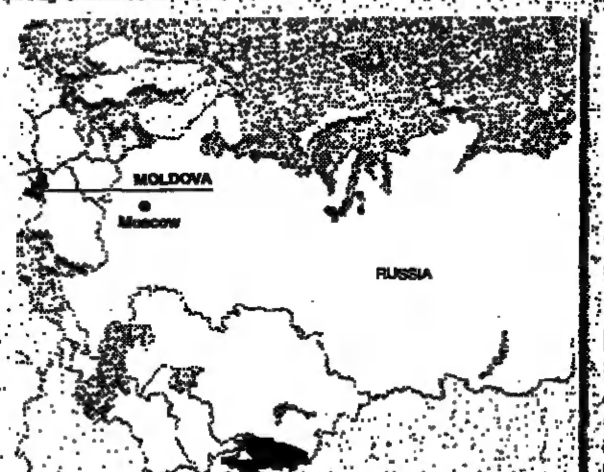
Additional reporting by Chrystia Freeland in London, Steve LeVine in Tashkent, Jill Barshay in Kiev and Bernard Simon in Toronto



Wico shares: 450 held by the Republic of Kyrgyzstan and 50 by Birshtein's Seabeco.

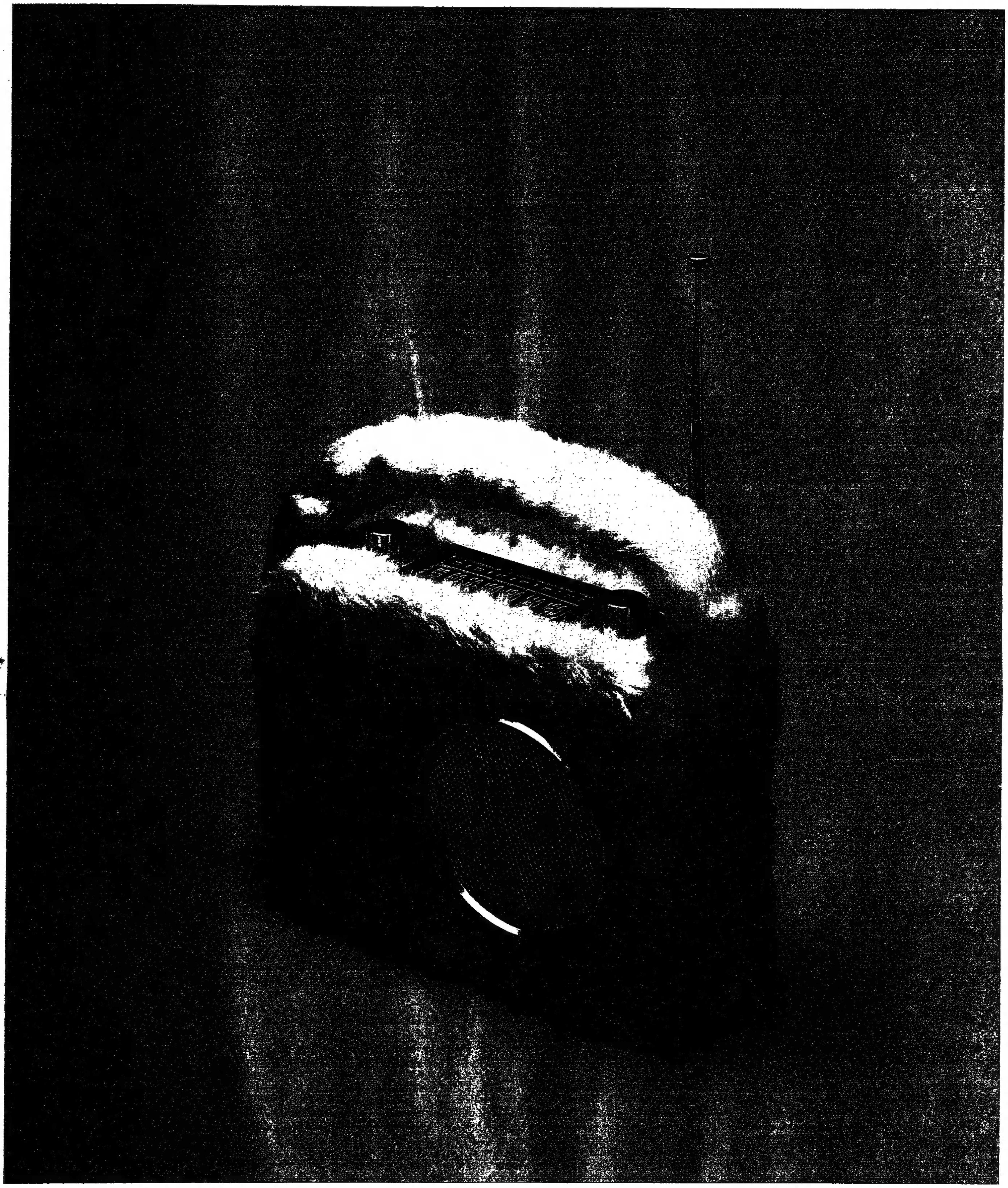
Mircea Snegur, president of Moldova

'I had a meeting with the Moldovan president,' says Birshtein. '...I said I see how you are suffering. I said I could arrange a meeting with (the then Russian vice-president) Mr Rutskoi as I knew him.'



Askar Akayev, president of Kyrgyzstan

'Boris Birshtein made a big impression on us... When in Moscow, he stayed in places to which only the most powerful Politburo members had access.'



Israeli parties greet Hussein-Rabin links

By Julian Ozanne in Jerusalem

In a rare display of Israeli political consensus on the Middle East peace process, leaders across the political spectrum yesterday welcomed the announcement by King Hussein of Jordan that he is ready publicly to meet Mr Yitzhak Rabin, the Israeli prime minister.

The prospect of growing economic and political contacts with neighbouring Jordan before a formal peace treaty will bolster the domestic political standing of Mr Rabin in face of growing public opposition to territorial and "security" concessions to the Palestinians and Syria.

Mr Rabin said he was ready to make the necessary preparations to meet the king without pre-conditions; the king's offer represented "significant progress" in the peace process.

Mr Shimon Peres, Israeli foreign minister, said the time had come "to legitimise public peace with Jordan".

Mr Binyamin Netanyahu, leader of the right-wing opposition Likud party, said he fully supported peace with Jordan, as an important step to a permanent solution with Palestinians in a confederal arrangement with Jordan. Even the ultra-right wing Tsomet party, led by Mr Rafael Eitan, endorsed the move.

Israeli leaders have been delighted with the king's statements in the US this week where he has outlined a vision of peace with Israel.

The Jordanian monarch continues to insist he he will not sign a formal peace agreement ahead of Syria, but he intends to go ahead unilaterally with political, diplomatic and economic contacts. King Hussein has said that unless peace agreements are concluded this year, the region faces the prospect of deep instability. He has called for a Middle East which holds the prospect of an entirely different future.

"The talents that are available, the resources that are available, the opportunities that are available I believe will transform the entire region," he declared. The removal of physical and economic barriers could produce what he called "a Middle East Nafta".

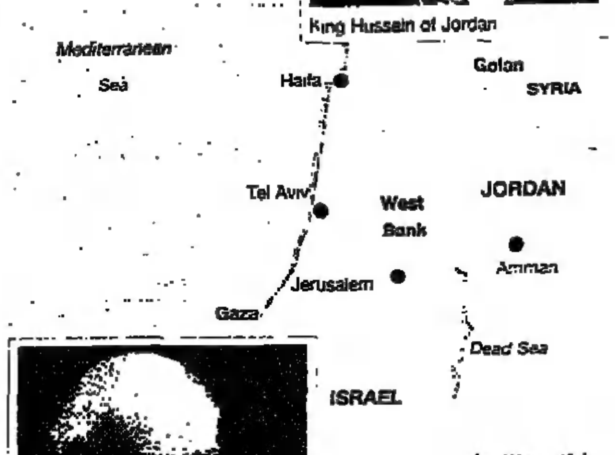
Israeli officials believe a Hussein-Rabin summit will lead quickly to economic co-operation, including the opening of borders to stimulate regional tourism and trade; joint Israeli-Jordanian development of the Jordan Valley between the Sea of Gallilee and the Dead Sea; the development of a tourist project between Jordan, Israel and Egypt around cities on the Red Sea; joint energy in projects in electricity and solar power, and new road networks.

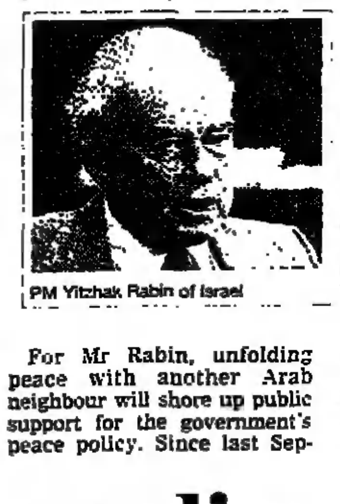
Mr Peres, who met secretly with King Hussein and Crown Prince Hassan last November, says a peace agreement has been prepared in detail under which Israel will cede disputed Israeli-held areas of the Dead Sea and Arava valley to Jordan and then lease them back at a nominal price. Mr Peres, however, says he believes that Israel and Jordan will move as close as possible towards full peace in 1994 without a formal signing ceremony.

A major business conference sponsored by President Bill Clinton is due to take place in Amman in March, bringing together Arab, Jewish and international business and political leaders on Arab soil.

"The talents that are available, the resources that are available, the opportunities that are available I believe will transform the entire region."

King Hussein of Jordan





PM Yitzhak Rabin of Israel

"Israel is ready for peace and willing to take risks and make dramatic decisions...We are looking for a peace that would last for generations to come."

For Mr Rabin, unfolding peace with another Arab neighbour will shore up public support for the government's peace policy. Since last September's peace accord with Palestinians, many Israelis have expressed concern about security and have not seen any tangible benefits of peace.

Qatar discusses $1bn Israeli gas deal

By Julian Ozanne

Qatar has confirmed it is negotiating a natural gas deal with Israel worth more than $1bn (£671m) and that is also considering moves to ease the Arab economic boycott of Israel.

Sheikh Hamad bin Jassim bin Jahr al-Thani, Qatari foreign minister, said in Washington that the Gulf state had started preliminary discussions with Israel. Further development, he added, would depend on a feasibility study and progress in Middle East peace talks, particularly negotiations between Israel and Syria.

The minister said also that Qatar was considering taking action to lift the Arab boycott of Israel and would discuss the issue with Mr Warren Christopher, US secretary of state, who has been pressing Arab states to ease sanctions.

Mr Hamad al-Thani's statement follows a secret meeting in London last Sunday with Mr Shimon Peres and Mr Moshe Shahal, respectively Israel's foreign and energy ministers. Mr Peres yesterday confirmed the meeting had taken place. For months Qatar had categorically denied Israeli reports it was discussing the gas project with the Jewish state.

The Israeli-Qatari gas project involves supply of natural gas to Israel and the use of Israel as an export terminal for Qatari gas through the Mediterranean Sea to Europe. Qatar has reportedly pledged to supply the Israeli market with natural gas for a 25 years.

Israel needs 6.7m tonnes of oil equivalent a year to convert its electricity generation from coal and oil to gas. It is also looking for cheaper energy sources to supply its petrochemicals industry in the Negev Desert. The Qatari project could also sell natural gas to the Palestinian self-government region.

Israel says Qatar has agreed to pay $1m for a feasibility study. One option is to build a gas pipeline from the Gulf state to the Israeli port of Ashkelon, where Qatar would construct a gas liquefication plant. Another is to ship gas to the Israeli Red Sea port of Eilat and pipe the gas from there to Ashkelon. A third component of the project might be to build a pipeline under the Mediterranean to transport Qatari gas via Israel to Europe.

Mr Shahal said Israel was talking to more than one Gulf state about importing gas. It had made progress in its project to link its electricity grid to Egypt's; an early project would be to connect Eilat with the Egyptian Red Sea resort of Taba and the Jordanian port city of Aqaba.

Israeli officials believe the Qatari project is a step towards regional co-operation and integration in the Middle East.

In the energy sector, Israel says other projects are being considered, including a gas pipeline from Egypt, an Israeli-Jordanian solar energy scheme, a possible oil export terminal, and exploiting the difference in the levels of the Dead and Mediterranean Seas to produce electricity and desalinate water.

Hosokawa appeals to public

Japanese urged to back reform

By William Dawkins in Tokyo

Mr Morihiro Hosokawa, Japan's prime minister, yesterday passionately appealed for public support for his plans to reform the electoral and political system.

"We must show the world that Japan has become a mature democracy whose people are able to make wise decision," he told a meeting of 100 politicians and academics.

The public would lose confidence in party politics and Japan would lose the international community's trust if the reform bills failed, Mr Hosokawa warned. "We can no longer hope that economic stimulus measures can succeed without realising political reform," he added.

He called on Mr Yohei Kono, president of the opposition Liberal Democratic party, to meet him in a final bid to thrash out a compromise on the plan which was voted down in the upper house of parliament last week.

Mr Hosokawa called on voters to "express your feelings through actions" and telephone or fax local Diet members. His direct public plea was the latest tactic in a battle in which traditional political rules are being broken.

The Japanese leader has staked his job on winning agreement to scrap Japan's unique multi-seat constituency system and to curb corporate political funding, both factors in the recent spate of corruption scandals.

Mr Hosokawa hinted yesterday that he would, after all resign if his four political reform bills fail to reach parliamentary agreement by their Saturday deadline. "I would not insist on the post of prime minister if I could not deliver on my promise. . . to realise political reform," he said.

The seven-party coalition appears divided on strategy as these statements contradicted a senior government official who earlier insisted Mr Hosokawa and his cabinet would stay. According to an opinion poll by JNN television news yesterday, Mr Hosokawa's support rating fell from 63.4 per cent at the end of last year to 54.8 per cent in the days before the upper house vote.

A joint panel of the upper and lower houses of parliament met yesterday to examine the latest in a series of compromise plans offered by the coalition. The LDP agreed to study the new proposal with a view to reconvening in the evening but LDP officials said they did not want to accept Mr Hosokawa's invitation to a summit meeting while the panel talks were continuing.

Failure to get agreement in the panel increases the likelihood that Mr Hosokawa will call a snap vote on the plans in the lower house today, his final chance. He has little chance of winning such a vote, but the move would further split the LDP.

Meanwhile, speculation is growing that public prosecutors are considering the arrest of three former cabinet ministers on suspicion of accepting bribes.

These would be the first national figures to be detained in a widening inquiry into bribes for contracts in the construction industry. Legally, politicians can plead immunity while parliament is in session, but it will be in recess on Sunday, the one day between the closure of the present session and the opening of the next.

House prices start to edge up

By William Dawkins in Tokyo

Indications emerged yesterday that the worst might be over for Japan's domestic property market, according to the Government Housing Loan Corporation of Japan.

The average price of a newly built home rose in October for the first time in two years, standing at at Y43.96m (£284,000), a 3.5 per cent increase on the corporation's previous survey last April.

However, the corporation noted the recovery was confined to provincial Japan. Average prices in the central region around Tokyo fell during the six-month period by 0.4 per cent, to Y53.1m.

Sales of new condominiums in Japan's largest cities rose by 39.2 per cent in 1993, the first rise in three years, said a separate study by the Real Estate Economy Institute. It predicted another big rise, from last year's 104,621 units, to at least 130,000 condominiums in the current year, helped by continued low prices and falling interest rates on home loans.

Consumer spending remains weak, however, according to the Ministry of International Trade and Industry's latest count of sales by department stores and supermarkets. The turnover of large stores fell by 4.9 per cent to Y21,490bn last year, after recording the 19th consecutive month of decline in December.

Miti said growth in sales of all commodities had slipped below 1992 levels. Clothing sales have been down particularly because of slack demand for business suits and high-fashion apparel. The statistics cover 424 department stores and 2,062 supermarkets.

The economic slump has made consumers more sensitive to prices, the ministry said. With corporate profits down, large-scale demand has fallen significantly, it added.

Creditors threaten to sue Abu Dhabi

A group of creditors to the collapsed Bank of Credit and Commerce International is threatening to sue the government of Abu Dhabi, the bank's majority shareholder, for a larger settlement, writes Andrew Jack in London.

Creditors owed about $2bn by BCCI yesterday agreed to push for "a just and immediate" payment from Abu Dhabi. A meeting in Cairo included representatives from the Islamic banks in the Middle East and was convened by Mr Adil Elias, a member of the BCCI creditors' committee and one of three creditors who opposed in the courts the previous agreement between BCCI's liquidators and Abu Dhabi.

Mr Elias said yesterday that unless Abu Dhabi contributed $3bn-$4bn to the creditors, his group would sue to recover their own claims plus damages through the courts in England, and possibly Luxembourg and the US.

National talks fail in Algeria

Algeria's conference for National Reconciliation has ended without naming a president to replace the five-man High State Council which has ruled the country since the suspension of elections two years ago, writes Francis Ghilès in London.

The meeting was boycotted by Algeria's main political parties, including the lay Front des Forces Socialistes, led by Mr Hocine Ait Ahmed, and the former ruling Front de Libération National Party. Both urged Algerian leaders to open negotiations with the banned Islamic Salvation Front which was poised for victory at the polls two years ago.

See Editorial Comment

Keating predicts faster growth

Mr Paul Keating, Australia's prime minister, yesterday said the annual growth rate could reach 4 per cent or more in the near-future, writes Nikki Tait in Sydney.

Consensus forecasts for Australia's growth are around 3.4 per cent this year, rising to 3.6 per cent in 1995. An improvement in the forecasts would reinforce an increasing cheerful view of the Australian economy.

Last chance to ensure S Africa right joins all-race elections

By Patti Waldmeir in Pretoria

South Africa's future hung in the balance last night as negotiators from the right-wing Freedom Alliance met the government and African National Congress for talks. All three sides said these represented the last chance to ensure the right wing joined in April's all-race elections.

On the eve of the meetings, Chief Mangosuthu Buthelezi indicated his preference for boycotting the poll, though senior leaders in his Inkatha Freedom Party argue for participation. The party's central committee deferred the decision until this weekend's Inkatha party conference at the KwaZulu capital, Ulundi, to be attended by some 8,000 delegates.

Chief Buthelezi told the central committee he did not expect talks to yield the constitutional amendments Inkatha is demanding (changes which would give greater powers to regional government); it would be morally wrong to contest the elections under a flawed constitution. To do so would mean "betraying the sacred charge history has bestowed on me as a democrat and prime minister of the Zulu kingdom".

South Africa's yearly inflation fell to 9.7 per cent in 1993, down on the 1992 figure of 13.9 per cent and the lowest since 1973, writes Matthew Curtin in Johannesburg. Although December month-on-month inflation rose 0.3 percentage points to 9.5 per cent, economists believe inflation could fall as low as 6 per cent in April. Good summer rains and buoyant business confidence are expected to assist growth during 1994 after a four-year recession.

Powerful Inkatha leaders argued Inkatha would be destroyed if it boycotted the poll; it could more effectively fight the constitution from within the new parliament than from outside. Inkatha, which has no army (even the KwaZulu government it controls has only a police force), would not be able to put up effective armed resistance to the central government, with its powerful armed forces, they argued.

Other Inkatha officials said the party should take part in elections, but fail to take its seats in parliament to protest against the constitution. The central committee decided to make no recommendation to the party conference, which begins tomorrow. But Inkatha sources said this might favour the position of Chief Buthelezi, because the conference will be packed with rural delegates who traditionally obey their leader's recommendations. Those Inkatha leaders who favour participation have less backing within the conference.

Chief Buthelezi warned of violence if the current constitution is accepted: "We will never have peace, stability and prosperity if we repeat the failure of Russia and east Europe to recognise that centrist constitutions imposed over a plural society...can only give rise to disruption, violence and finally civil war."

Separate talks were being held last night on a homeland for right-wing Afrikaners, recognition of the status of the Zulu king in the new constitution, and general constitutional amendments to strengthen regional government.

Sweden stops aid for ANC after 20 years

By Hugh Carnegy in Stockholm

Sweden yesterday ended 20 years of financial backing for the African National Congress. Funding from Sweden had previously accounted for up to 40 per cent of the South African group's budget, according to Swedish officials.

The right-centre coalition government of Mr Carl Bildt last year decided to stop the aid flow which had been started in the early 1970s by a Social Democratic government. Saying that the ANC had become a political party which no longer qualified for government assistance, the cut-off date was set at three months before South Africa's first multiracial election scheduled for April 27.

Officials said aid to the ANC was SKr110m (£9.1m) in the 1992-93 Swedish budget year, out of total Swedish development aid to South Africa of SKr240m. It is being maintained at last year's level in the current budget year, despite the cut to the ANC, but will fall to SKr220m in 1994-95.

Kazakhstan offered IMF, Japanese loans

By George Graham in Washington

The International Monetary Fund has agreed to lend Kazakhstan a total of 185m special drawing rights (£170m) to support the government's economic reform programme.

The first SDR62m will be available immediately as Kazakhstan's second drawing on the Systemic Transformation Facility, a fund set up with looser conditions by the IMF to help former communist countries overhaul their economies, but the remaining SDR124m have been authorised under a normal IMF standby arrangement, which is conditional on a tough economic stabilisation programme.

In a further boost to the Kazakh government, Japan has agreed to provide $145m (£97m) of financing in parallel to the IMF loans, the first for a standby arrangement.

The agreements follow a meeting of donor countries in Paris two weeks ago at which Kazakhstan received pledges of aid totalling $1bn this year. US officials have praised the country for its commitment to free market economics and for its willingness to give up Soviet nuclear weapons based on its territory.

Although Kazakhstan has been viewed by some western lenders as a model among the republics of the former Soviet Union for economic reform, its economy still faces severe problems. Mr Daulet Sembayev, central bank chairman, said this week the country's gross national product fell 13 per cent last year while inflation rose by 2,270 per cent.

Following the introduction in November of an independent currency, the tenge, Kazakhstan is now aiming to cut monthly inflation to 3 per cent by the end of this year, and to reduce the fall in output to 3 per cent over the course of 1994.

The IMF said yesterday the standby programme included particular attention to the provision of a social safety net for the most vulnerable segments of the population.

The government aims to limit its fiscal deficit in 1994 to 4 per cent of GDP through measures that include new import tariffs and export duties, a simpler structure for value added and income taxes, and significant reductions in tax exemptions.

Hassan speeds business ventures in Morocco

By Francis Ghilès

King Hassan of Morocco has established a committee to help foreign investors who encounter problems setting up business in Morocco. The "Comité de Suivi et d'Impulsion des Investissements" (CISI) will include Morocco's leading commercial banks and be chaired by Mr Mohamed Seqqat, central bank governor.

Moroccan officials say the CISI is not a substitute for existing ministries but an effort to speed decisions by submitting problems directly to the head of state, thereby simplifying a process taking up to eight months.

An important factor behind the fast-track committee is the growth of foreign investment which last year reached $500m. (£333m), covering the whole of the current account deficit. In 1992 and 1991, foreign investment covered 50 per cent and 23 per cent respectively of the deficit.

The flow of investment from abroad is being encouraged by the privatisation programme initiated 13 months ago. Observers in Casablanca expect that programme to be accelerated in the next few months because of this year's budget deficit, estimated at about $500m. The privatisation programme brought the state a foreign income of $250m last year, a figure which the authorities hope to boost to $340m in 1994.

The four petrol and oil products distribution companies are being privatised. Petrom was sold to a Moroccan investor a few weeks ago while Shell has just bought the distribution company which bears its name. The Mobil and Total distribution networks are next on the list.

Other key privatisations this year will include four leading banks in which the state owns more than a 50 per cent stake: Crédit Industriel et Hotelier, Banque Marocaine du Commerce Extérieur, Banque Populaire and Banque Nationale du Commerce et de l'Industrie. But the state is expected to retain a core holding of 33.3 per cent of shares in each institution.

The privatisation programme and recapitalisation of Moroccan companies have boosted activity on the previously sleepy Casablanca stock exchange.

Transactions last year increased by 365 per cent to DH 25.7bn (£1.79bn).

PRIVATISATIONS SINCE 1 JANUARY 1993

Company	Sector	Buyers	Price (dirham m)
Amandiers	Hotels	Local	5.0
Basma	Hotels	Local & foreign	50.0
Chelco	Clothing	Foreign	10.2
Cior	Cement	Local & foreign	614.0
Comagri	Agriculture	Local & foreign	20.0
CTM	Transport	Local	110.5
Petrom	Petroleum	Local	145.0
Snep	Petrochemicals	Local	364.3
Soders	Yeast production	Local & foreign	28.6
Shell Maroc	Petroleum	Foreign	450.0
Tarik	Hotels	Local	15.5

Source: Upline Securities, Casablanca

Disquiet over CFA franc fall

David Buchan on the lament within France's 'Africa lobby'

Many in France's "Africa lobby" of traders, investors and a few older politicians are still fuming about the 50 per cent devaluation two weeks ago of the CFA franc, used by 13 French-speaking countries of west and central Africa.

Politically, they accuse the French government of betraying its old colonies and friends in Africa. Economically, they see an end to a good market in which African ability to purchase French goods was kept artificially high by a parity unchanged since 1948. Financially, they are reeling from the implications of having their African assets halved and cash flow severely disrupted.

"Two categories have been cheated – the African people and French companies," says Mr Jean-Pierre Prouteau, head of the Conseil des Investisseurs Francais en Afrique (CIAN). He has complained to the prime minister, Mr Edouard Balladur, that the devaluation's damage to the French private sector will amount to FFr10bn. The Balladur government's failure to provide speedy help to French companies is, according to Mr Jean-Louis Vilgrain, head of the French employers' Africa committee, "deeply damaging because it gives the impression that there is more devaluation to come".

The general French reaction seems to be along the lines that "Africa was living above our means", that French aid to the CFA countries was doing little good in economies whose currencies had got so out of line with their real competitiveness, and that devaluation was, if anything, overdue.

But the speed with which Mr Balladur, within five months of coming to power, set about altering a parity between the French and CFA francs that had not changed for nearly 50 years, has disquieted some Gaullists around the party leader, Mr Jacques Chirac.

Nonetheless, Mr Michel Roussin, who came to the job of aid minister after serving Mr Chirac and a spell in the French secret service dealing with francophone Africa, insists that overtly France took no sides in the devaluation decision which was one for sovereign African states.

But the alternative to devaluing was not rosy. French aid would have been entirely swallowed in helping CFA states to service their foreign debt because without devaluation these states would not have got fresh credit from the International Monetary Fund, the World Bank and other donors. The relationship between CFA members and France would have been increasingly like "that of Cuba and the old Soviet Union", says a Roussin aide.

Since the devaluation on January 12, however, Ivory Coast, Senegal, Mali and Niger have signed "letters of intent" with the IMF on adjustment programmes, and other CFA states are due to follow. France, for its part, is increasing its budgetary aid (as distinct from aid for development projects) to CFA countries from FFr3.4bn (£382m) last year to FFr5.2bn this year, while writing-off of FFr25bn of CFA debt to France will be a budgetary cost to Paris of FFr1.5bn a year over the next three years.

In addition to setting up a FFr300m "social fund" for CFA countries, Mr Roussin is also trying to persuade French pharmaceutical and publishing companies to reduce the now much-raised cost of imported drugs and school books to francophone Africa.

But there are other adjustment costs for the French private sector, which employs 45,000 expatriates in the CFA zone. Devaluation will not affect petroleum sector employees of Elf-Aquitaine and Total who are paid in dollars or French francs. In the latter category are French government aid workers, and Mr Roussin has said they will have to take a pay cut in solidarity with the Africans who carry only CFA francs.

Speaking for CIAN, whose 100 member companies have more than 1,000 subsidiaries in CFA countries, Mr Prouteau says the devaluation has halved the value of their FFr10bn local assets, which will force many of them into making extra provisions on their 1994 balance sheets.

Similarly halved is the value of unpaid CFA commercial debts to French companies, which Mr Prouteau puts at the equivalent of $7bn-$8bn. Increasing CFA central bank restrictions and liquidity shortage in the local banking systems has much delayed repayment of these debts, which are now caught by the currency change.

"Many smaller French traders could now go to the wall," says Mr Prouteau. But for all his protestations, he is not hopeful of getting much redress from a French government that insists the devaluation was not its doing.

NEWS: THE AMERICAS

More power to the investor

Richard Waters on the SEC's review of share trading in US

The New York Stock Exchange has seen its stranglehold on trading in US shares progressively eroded in recent years. In 1986, the "Big Board" handled 86 per cent of all the trading in the stocks which it lists: by last year, that had fallen to 79 per cent. The rest is being funnelled into a wide array of competing trading systems, some run by regional exchanges, some by broker-dealers.

The bosses of the "Big Board" refer to this as the "fragmentation" of the equity markets. The Securities and Exchange Commission, however, has a different view. A 79 per cent market share (and the 87 per cent market share enjoyed by the competing dealer market, Nasdaq, in the unlisted shares that it trades) "would be envied in any other industry".

The SEC yesterday, in its first thorough review of the regulation of the US equity markets since 1971, gave broad support to greater competition between market trading systems. It proposed a deluge of detailed regulation and rule changes to make sure that competition operates fairly, and allows investors to place orders with their brokers in the confidence that they will get the best prices available in any market.

The rapid rise in share trading in the US in the past two years has intensified the competition for investors' business, and led to some practices which the SEC now wants to see better controlled. Last year, 67bn shares were traded on the NYSE, a huge increase over the record 51bn the year before. The previous peak, in 1987, was 47bn.

The SEC's proposals fall into four broad areas. First, it is calling for greater transparency in the markets to give better disclosure of the prices at which shares are traded. It might be argued that the US already has the world's most transparent stock markets.

The regulators have asked for all "limit orders" (instructions placed by investors for their brokers to buy or sell shares once the price hits a certain level) to be listed electronically, giving a clearer view of the supply and demand for shares. Also, they have reopened a contentious topic first tackled in the early 1980s: that all buy or sell orders, no matter where they are placed, should be made public to allow traders in any market to bid for them.

The SEC has also asked the exchanges to reduce the minimum price spread on stocks to $\$\frac{1}{16}$, rather than the current $\$\frac{1}{8}$. This is meant to produce finer pricing of shares, leading to lower spreads between buying and selling prices and so saving investors money. (It would also cut into dealers' profits.)

Second, the regulators want to reinforce the rules which ensure that investors get the best price when placing their orders with a broker. At present, a broker may channel an order to a particular dealer in return for a cash payment (known as "payment for order flow") or other goods and services (known as "soft commissions", or soft dollars.) The SEC has resisted calls to ban these arrangements, but says that they should all be fully disclosed to investors.

Third, the SEC is trying to make competition between stock exchanges and other trading systems fairer. It has proposed better reporting to regulators of trades carried out on private, automated trading systems to allow them to be properly regulated – though it has stopped short of demanding the same full publication of trades that exchanges have to adopt. These suggestions fall short of the sort of full-scale extension of regulation called for by the NYSE and others.

Fourth, the changes would remove some of the barriers which prevent some of the trading in NYSE from moving to other trading systems. Under NYSE rule 500, companies listed on the premier market cannot de-list unless a two-thirds majority of their shareholders approve the move. This could prevent companies from moving to other markets, the SEC says: the NYSE rule should be amended to leave it to directors.

The changes will be made through amendments to the SEC's own rules and those of the exchanges and self-regulatory organisations. They will amount to the first overhaul of securities regulation in the US since the more wide-ranging deregulation of the early 1970s.

Durable goods orders up by 2.2%

New orders for US durable goods rose 2.2 per cent in December compared with the previous month, providing further confirmation of the surge in economic activity at the end of last year, official figures indicated yesterday, writes Michael Prowse in Washington. Orders rose 8.6 per cent during 1993 as a whole, the largest increase for five years. The figures were the latest in a series of buoyant statistics indicating the US recovery is gaining momentum. Most analysts expect gross domestic product data due today to show growth at an annual rate of about 6 per cent in the final quarter of last year.

Orders rose in all main industrial sectors with the largest gains registered in capital goods, mainly electronics and electrical machinery. Excluding defence, orders rose 1.8 per cent from November.

Venezuela to encourage private investment

By Joseph Mann in Caracas

Venezuela's new government will encourage private investment and try to avoid the errors of past administrations which relied too much on oil revenues, according to Mr Julio Sosa Rodriguez, a top adviser to President-elect Rafael Caldera.

Mr Sosa, addressing around 500 Venezuelan and international businessmen, gave few details of the policies of the Caldera government, due to be installed next Wednesday. But he said it would stress austerity, hard work, private investment, international trade and diversification away from oil.

The new government would continue to encourage privatisation, and would allow private investment in all government-owned businesses except PDVSA, the national oil company, and Edelca, the state-owned hydroelectric power company, he said. However, joint ventures in oil and petrochemicals (which are controlled by PDVSA) will continue and be supported.

Mr Caldera, who won the presidency in elections last December 5, has called for the elimination of an unpopular value added tax. Mr Sosa said the president would propose a coherent tax reform stressing progressive taxation. He denied the new government was planning a large devaluation of the Venezuelan bolivar or imposition of exchange controls.

Reuter

Supporters of deposed Haitian president Father Jean Bertrand Aristide celebrate at rally he attended in Montreal. Fr Aristide is visiting Canada as part of his campaign for reinstatement

Parties reach election pact in Mexico

By Damian Fraser in Mexico City

Mexico's governing party and the main opposition yesterday reached their first pact setting out the conditions for holding federal elections. The agreement may help reduce political tension following the New Year uprising in the southern state of Chiapas.

The pact was approved by the left-wing Party of Democratic Revolution, which had previously rejected government proposals for electoral reforms as insufficient. But it still has to be fleshed out with more concrete agreements that are subject to negotiation – and may not necessarily be reached.

Mexico is holding presidential elections next August. While the ruling Institutional Revolutionary Party is favourite to win, the party's victories have been marred by accusations of electoral fraud and vote-rigging.

The pact promises in general terms that electoral authorities will be chosen according to a consensus of the political parties, gives full access to the electoral roll to all parties, guarantees fair media coverage of the campaign, and will allow for a special prosecutor to investigate electoral fraud.

The government appears to have made significant concessions to the PRD, although how the accord works remains to be seen. The signatories said the agreement was a significant step in creating credible and legal elections in the country.

They said it would contribute to peace in Mexico, in reference to the Chiapas rebellion. Democratic reforms have been one of the demands of the Chiapas guerrillas.

The agreement is an attempt by the government's to regain the initiative after the uprising, and is a response to opposition warnings that there could be more violence if the elections were not fair.

Brazil makes slow progress on economic reform package

By Angus Foster in São Paulo and Stephen Fidler in London

Brazil's Congress is inching towards approval of the first stage in the government's economic stabilisation package, but observers remain cautious about whether the plan will provide a lasting cure for inflation, now running at about 40 per cent a month.

Congress yesterday looked set to pass a set of measures, including a slight increase in corporate tax, which are needed to help balance this year's budget. This marked a partial victory for Mr Fernando Henrique Cardoso, the finance minister, who proposed the package last month. However, more controversial proposals to reduce the budget deficit have met substantial opposition and the government is being forced to contemplate alternative cuts.

Measures approved so far include a 5 per cent increase in existing tax bands, taking the top rate from 25 per cent to 26.25 per cent, and a new upper rate of 35 per cent. But Mr Cardoso's plans to raise $5.6bn by setting aside 15 per cent of the transfers central government makes to states and municipalities has been strongly criticised by Brazil's powerful state governors. The set-aside can only be approved via a constitutional amendment and now looks likely to be watered down.

As a result, the government is likely next month to start negotiating alternative measures and may propose a reduction in export incentives and further cuts in development programmes. It is also possible the estimate of social security contributions will be increased, despite a previous upwards readjustment, and that public servants' income tax will go to the federal rather than state governments.

These measures would allow the government to claim a balanced budget, but some observers fear the balance will be cosmetic. "They're making deals and Congress is proposing substitutes and that suggests something is very shaky," according to Mr Robert Macedo, former economic policy secretary.

The plan has also generated some optimism that Brazil can complete a debt deal with international banks by a deadline of April 15.

Mr William Rhodes, vice-chairman of Citibank, which heads the bank advisory committee, said he was "increasingly optimistic" that a deal – which covers $35bn of debt principal, $7bn in interest arrears and about $11bn owed to Brazilian banks – could be completed by the deadline.

This will require an accord with Brazil and with the International Monetary Fund, to be voted at the IMF's March board meeting.

Citibank said the holders of 96.51 per cent of the $35bn debt principal have now signed the accord. This suggests the Brazilian holding of the Dart family of the US – which still object to the terms of the deal – is just over $1.22bn, less than once thought.

NEWS: WORLD TRADE

UK-insured exports up by 80%

By Richard Lapper

The value of exports insured by the Export Credits Guarantee Department, the UK's national export credit agency, increased to its highest level for nearly a decade in the 12 months to March 31 last year, signalling a strong performance by British exporters.

The value of new business insured amounted to £3.8bn, up 80 per cent compared both with 1991-92 and the average level since the onset of the debt crisis in the early 1980s.

Premium income on new business rose sharply, reaching £133m, 60 per cent up on 1991-92, while the ECGD's trading surplus increased to £740m, as an improvement in the economy led to a reduction in provisions and claims.

Mr Brian Willott, chief executive, said the figures represented a "dramatic change around. UK industry has been very successful at increasing its business, particularly to the Far East". He said the strong upward trend had continued into the current financial year.

Four of the five markets in which UK companies were most successful were in the Far East – Hong Kong, Malaysia, Indonesia and China. The other was the United Arab Emirates. The value of guarantees involved in the Black Point power station project in Hong Kong, the biggest single deal covered last year, amounted to about £800m.

Mr Willott said the substantial reductions in premium rates and the increases in cover announced in the 1992 autumn budget gave "the ECGD and its customers for the first time a clear three-year growth path".

The ECGD had benefited from a fall in its provisions, which were reduced to £8.49bn compared with £8.60bn. This partially reflected an improvement in economic conditions in Latin American and some other heavily indebted countries. Provisions against Brazil, Mexico and Egypt were all reduced by between 15 and 20 per cent. Provisions for Cuba, Angola and for some countries which were formerly part of the Soviet Union were increased by about 50 per cent.

The agency's trading surplus on its old and new business combined reached £740m, up from £340m. Claims paid fell by 23 per cent to £739m, compared with £954m.

NEWS IN BRIEF

Israel to buy 20 US jet fighters

Mr Yitzhak Rabin, Israel's prime minister, said yesterday Israel had decided to go-ahead with a deal worth up to $2bn (£1.3bn) to buy 20 specially adapted F-15E jet fighters from McDonnell-Douglas, the US aircraft maker, writes Julian Ozanne from Jerusalem.

The decision ends a fierce two-year bidding war between McDonnell-Douglas and Lockheed to supply Israel with its next-generation fighter. Lockheed had been offering to sell Israel an improved F16 aircraft at a lower price. The cost of an F-15E is estimated at around $100m each, although Israel has apparently negotiated a substantial discount on the entire order.

Russian venture for ABB

Asea Brown Boveri, Europe's largest electrical engineering group, yesterday announced one of the most significant joint ventures between a western and a Russian company with a deal to make turbines and other power plant in St Petersburg, Andrew Baxter writes from London.

ABB is teaming up with Nevsky Zavod, a big Russian manufacturer of gas and steam turbines, to form ABB Nevsky, which will be 80 per cent owned by ABB and 20 per cent by its Russian partner. ABB Nevsky will be producing complete gas turbines based on ABB's latest advanced technology. These will be used to modernise old power stations in Russia and build new gas-fired combined cycle plants.

China signs contracts for dam

China has signed the first contracts with foreign companies for the supply of equipment to build the $11.5bn Three Gorges dam on the Yangtze River – the world's largest hydroelectric scheme, our Beijing staff reports.

Caterpillar and Ingersoll Rand of the US, Fried. Krupp and Mannesmann Demag of Germany and Atlas Copco of Sweden were the successful tenderers for an initial $10m of equipment for the giant project.

China National Machinery Import & Export Corp. (CMC) and China National Technical Import & Export Corp. (CNTIC) signed agreements this week on behalf of the Yichang-based China Three Gorges Project Development Corporation.

CMC and CNTIC selected the five companies through public bidding. The construction machinery – bulldozers, cranes, excavators and drills – will be delivered before June.

China-Russia pact to ease two-way trade

By Tony Walker in Beijing

China and Russia yesterday signed an agreement covering 21 border crossings to facilitate booming two-way trade worth nearly $8bn last year.

Both countries are anxious to strengthen regulations covering trade and other exchanges along their common boundary where criminal activities are a serious problem.

The agreement to improve cross-border co-operation was signed by Mr Qian Qichen, China's foreign minister, and Mr Andrei Kozyrev, his visiting Russian counterpart.

The two men also discussed a forthcoming visit to Moscow by President Jiang Zemin, security issues, and ways in which Russia might assist Chinese economic development.

Mr Kozyrev said Russian contractors were anxious to participate in the $20bn Three Gorges project on the Yangtze – the world's largest hydroelectric engineering scheme. He also sought to assure the Chinese that threats of political unrest at home would not be allowed to affect relations.

"Further development of Russian-Chinese ties enjoys priority in Russia's foreign policy and would not be affected by domestic political change in Russia," he was quoted as saying by the official Xinhua news agency.

Sino-Russian two-way trade increased by about 30 per cent last year compared with the year before. Eighty per cent of business is now channelled through border crossings along a remote frontier.

Mr Kozyrev was accompanied by senior defence officials who have been discussing with the Chinese ways in which technical co-operation might be expanded.

US steel contract for Davy

By Andrew Baxter

Davy International, part of Trafalgar House of the UK, is to supply engineering, procurement and construction management for a $165m steel billet mill which Republic Engineered Steel is building at Canton, Ohio. The mill will have an annual capacity of 750,000 tonnes and is due for completion next year. Davy said the contract would provide important work for its Pittsburgh office following a $150m coke oven project awarded last year by Bethlehem Steel.

Japanese protest at US phone call discounts

By Paul Abrahams

A telecommunications trade war threatened yesterday following complaints by Japanese groups about US companies' trading practices.

The Japanese carriers have asked the country's post and telecommunications ministry to investigate discounts offered by Fibercom Network and International Telecom of New York, and USA Global Link of Iowa.

The three US groups, which provide discounts of up to 40 per cent on international calls, said they would file a complaint with the US trade representative in Tokyo if restrictions were placed on them.

The dispute comes at a delicate moment for the US and Japanese governments. They are negotiating framework arrangements to reduce Japan's trade surplus with the US and make the country more accessible for goods and services exporters.

The US companies have negotiated bulk contracts with large carriers such as AT&T. Callers phone a switching centre in the US and hang up after the number rings twice. The switching centre then automatically calls back, leaving the users to dial their ultimate destination. The companies claim international call-back schemes, which have been running in Japan for two years, are legal, because technically the calls originate in the US.

The Japanese complainants are KDD, which used to hold a monopoly of international services in Japan, International Digital Communications and International Telecom Japan. They claim the US groups are making free use of their domestic lines.

The US discounters said they would be willing to pay reasonable charges for the lines, and were willing to hold friendly talks with the Japanese carriers. So far they have gained only 1 per cent of the Y250bn (£1,497m) telecoms services market.

Spares lead the way in India car parts exports

Components makers take advantage of trade liberalisation reforms, writes Stefan Wagstyl

Lumax Industries, a Delhi-based company, is one of India's most recent entrants to export markets, selling spare-part lights for Volkswagen, Mercedes and Rover cars and for Italian-made Iveco lorries.

"They're half the price of the original manufacturers' equipment," says Mr A. K. Sethi, the export manager. "Our labour is cheap but we have to watch our other costs."

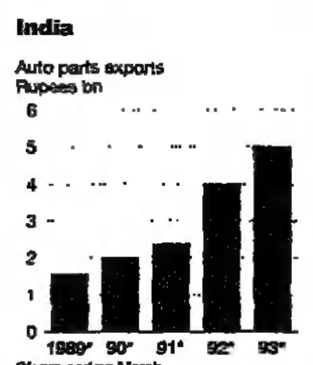
Lumax is among scores of Indian vehicle parts makers that are taking advantage of the government's efforts to open the economy to international trade and promote exports. From $60m in 1988-89, parts exports jumped to $190m in 1992-93 and are set to rise to nearly $250m in the year to March 1994.

"Everybody is talking of the Indian components industry getting more and more competitive," said Mr Giancarlo Boschetti, the president of Iveco, the truck-making arm of the Fiat group of Italy, on a recent visit to India. "We see India not only as a source of exports [of vehicles] but also as a source of supply for components."

Mr Boschetti was speaking last month during India's first motor show in seven years at which 600 companies showed their wares, many of them hoping to attract export orders. The potential foreign buyers included teams from Britain's Society for Motor Manufacturers and Traders, the Japan Auto Parts Industries Association, and Ford and General Motors, the US carmakers.

However, large-scale orders from the big western and Japanese vehicle makers could still be some time away. Only a handful of Indian companies have struck such deals: among them are Sundram Fasteners, an affiliate of TVS, a diversified south Indian engineering group, which last summer started supplying radiator caps to GM.

Sundram makes 5m caps a year for GM – 85 per cent of the US group's needs. Sundram also has permission to stamp the letters TVS on every cap, which, Sundram officials say, is the first time an Indian company has established a global brand-name in motor components.



*Years ending March
Source: Automotive Components Manufacturers Association of India

Sundram Fasteners was helped in establishing its operation by GM which transferred second-hand machines and other equipment from a British supplier. Other companies face the choice between waiting for a similar opportunity or taking a risk by expanding capacity before securing orders. "We are not yet geared up in this country for volume production," says an executive at one electrical parts maker.

India's main advantages in the market are low-cost labour, lax environmental controls for "dirty" industries, and a long engineering tradition. Indian industry executives say India is a cost-effective country for hot and dirty operations, among them casting and forging of heavy components such as axles and transmission drives. It could also be a competitive supplier of electrical components, particularly those that might require manual assembly.

However, Indian suppliers suffer from serious disadvantages, including inadequate infrastructure and a reputation for poor quality, which blights Indian exports generally. For these reasons large western and Japanese groups have often shied away from buying Indian components. Indian manufacturers have relied instead on the spares market, where buyers have been more easily swayed by low prices.

Mr Shiv Nair, an assistant vice-president at Bharat Forge, a diversified forging company, says the export of low-cost low-quality Indian spare parts has undermined efforts to supply original equipment.

Bharat Forge, which supplies axle beams and other parts to big lorry manufacturers, including Mitsubishi Motors in Japan and Rockwell in the US, has deliberately avoided the spares market for fear of having its reputation tarnished by the low quality of some other Indian companies. Even so, Bharat Forge suffers, says Mr Nair.

He estimates it takes four to five years to finalise a large original equipment supply contract; it would take only two years if Indian companies enjoyed better reputations. "The Japanese even question the quality of steel we use. They want to check it."

But there are signs that Indian companies' prospects are improving rapidly. The slow-down in car demand in industrialised countries has forced big groups to cut costs further than before, so the pressure to find reliable low-cost sources of parts has increased. At the same time, Indian executives are steadily learning what they must do to meet foreign buyers' expectations.

One US car company executive visiting Delhi said India as a whole had no particular advantage over other countries as a parts supplier. Low-cost labour was no use if it meant low productivity and poor quality, he said. What mattered was how a company made use of low-cost labour.

"When we source components we don't think in terms of countries but of companies. We have seen companies in India we like and we are talking to them."

Saudi arms deal has crown status

By David Owen, Jimmy Burns, and David White

Saudi Arabia is under no obligation to give details of the end users of defence equipment supplied by Britain under the £20bn Al-Yamamah defence deal, the government admitted yesterday.

The potentially embarrassing disclosure, came in a parliamentary written answer by Mr Jonathan Aitken, defence procurement minister.

Mr Aitken said defence equipment exports under the Al-Yamamah arrangement had "crown status", in common with all government defence exports, and were "therefore not subject to export licensing requirements".

It also emerged last night that the disclosure had earlier been brought to the attention of Lord Justice Scott who is conducting the arms-for-Iraq inquiry. Evidence before the inquiry shows that the government pressed ahead with defence deals with Saudi Arabia in spite of being warned by intelligence and some officials that the country was possibly being used to divert military equipment to Iraq.

Mr Paul Regan, a spokesman for the Scott inquiry, said that the judge was looking at the the potential loopholes inherent in the "crown status" arrangements, which are believed to cover a number of other potentially sensitive defence deals, and the extent to which the government had adhered to regulations restricting exports to Iraq either directly or through third countries.

Al-Yamamah is a two-stage government-to-government deal covering supplies of British arms, infrastructure, and defence services worth more than £2bn per year.

Mr Jim Cousins, the Labour MP who tabled the parliamentary question, said yesterday that the government's answer was "of very considerable significance" in the light of evidence given to the Scott inquiry.

Mr Cousins said the answer showed there was "a great hole" in the export licence control system. There was now a "very serious possibility" that arms supplied outside the arms control system may have "leaked" to either or both of the Gulf war combatants.

The deal, led by British Aerospace as prime contractor, covers British defence equipment such as Tornado bombers, minehunters, and a wide variety of weapons and ammunition. It also includes GEC-Marconi and Vosper Thornycroft.

The Ministry of Defence said last night that there was no requirement for transactions with crown status either to have export sales licences or for end-user details to be provided.

'Wembley of the north' cash plea

By Ian Hamilton Fazey, Northern Correspondent

Manchester is to ask for £75m from the UK government's Millennium Fund and the National Lottery to help build a national stadium in the city.

The application – for a "Wembley of the north" – will be supported by various governing bodies of British sport, including the Football Association, the British Athletics Federation, the Rugby Football League and the Rugby Football Union.

The stadium and associated infrastructure would cost £187m. It would seat 65,000 people – 20,000 fewer than the stadium Manchester would have had to build had it been awarded the 2000 Olympic Games.

It would be on the site planned for the Olympics and based on the same design.

The public sector has already contributed £72m to land acquisition and a new road linking the stadium site to the motorway network. The aim would be to complete construction by 1998 if funding can be agreed.

Parts of the Millennium Fund and National Lottery are intended to encourage sports projects and help celebrate the millennium.

The stadium would also be the main venue for the Commonwealth Games of 2002, if Manchester can beat Sheffield and London to be the British candidate – and if Britain is awarded the games.

London second-hand car dealer Terrence Puleston said: "I think Ford will come unstuck the way business is going. The trade is so bad that it comes in silly spasms – one week you might sell three cars and then another three weeks you might not sell any." Picture: Colin Beere

Ford to set up 'used car factory'

By John Griffiths

Ford is setting up a "used car factory" to prepare and sell to its dealers up to 85,000 nearly new Fords a year.

The venture, called Ford Direct, is believed to be the first used-car retailing scheme in which the manufacturer is taking direct responsibility for preparing vehicles for sale and providing warranties for them.

It also represents a response to research carried out by Ford over the past 18 months which, the company admits, shows motorists to be "deeply cynical" about the integrity of the motor trade – frequently with good reason. The high level of complaints from consumers about used cars has led the Office of Fair Trading to start an investigation into the trade and its dealers.

The Ford Direct venture, which starts next month and in which the company is investing about £10m, initially is being confined to cars less than one-year-old. All will be returned vehicles from short-term rental companies which Ford has supplied or from Ford's own company fleets. This means initial maximum yearly sales through the scheme of about 45,000 vehicles. However, if it is well-received and proves commercially viable, it may be widened to embrace other sources of similarly aged cars up to around 85,000 cars a year.

Even at the 45,000-a-year level, the scheme would account for around 10 per cent of total annual sales of "nearly new" cars under a year old.

Most of Ford's rivals run their own dealer-based "manufacturer-approved" used car retailing schemes, such as Vauxhall's Network Q operation, and may dismiss Ford's initiative as little different from their own schemes.

However, Ford maintains that its scheme eliminates the three most serious sources of concern aired by consumers about other operations: that dealer-based "independent" pre-sale checks and tests are neither properly independent nor rigorous; that warranties offered are not comprehensive enough; and that too often dealers try not to honour them.

In the opening weeks of the scheme Ford has contracted three independent outlets to prepare the cars for inspection by its own personnel and RAC inspectors.

Bank planning code for debt sales

By John Gapper, Banking Editor

The Bank of England is to try to develop a voluntary code of practice to regulate how banks sell debt in troubled European companies, Mr Pen Kent, an executive director of the Bank, said yesterday.

Mr Kent's proposal follows a growth in the sale of debt at a fraction of its face value by banks. Banks have increasingly chosen to sell debt rather than take the risk of it losing value when the company's finances are restructured.

Although the market in London is less developed than in the US, many of the buyers of debt have been US venture capital funds seeking high returns if the company recovers. Sale of debt in London has grown rapidly in the past year.

Mr Kent will explore in coming weeks whether banks could establish a code of practice requiring buyers of distressed debt to comply with the Bank's approach to debt restructuring.

He said that banks might also agree to a "closed season" during company restructuring talks when debt would not be sold. Mr Kent has said in the past that he is worried that banks may be distracted by debt sale negotiations.

Mr Kent told a conference in London organised by the Association of Corporate Treasurers that he wanted to continue developing the "London Approach", a set of principles for company restructurings established in 1990.

He said that despite concerns that distressed debt sales might undermine the London Approach, this had not occurred in the small number of workouts involving debt sales which the Bank has helped to co-ordinate.

Among other ways of developing the London Approach, Mr Kent suggested trying to promote greater trust among parties to a workout by the full sharing of information, and involving creditors other than banks in negotiations.

CBI unveils plan for reform of EU competition policy

By Andrew Baxter

The Confederation of British Industry yesterday unveiled a six-point plan to reform competition policy in the European Union. It also called for the European Commission to be given more effective powers to control state subsidies.

The CBI's call is part of its wider review of EU law. The confederation wants to save unnecessary cost and effort for companies and regulators.

Mr Howard Davies, CBI director-general, said an efficient and effective competition policy was vital for the single market, but "companies too often meet delay and legal uncertainty when they seek to clear their business plans with the commission".

Mr Laurence Elks, of the legal firm Nabarro Nathanson, said administration of EU merger policy was "moving in the right direction".

However, the prompt and realistic approach to decision-making under the commission's three-year-old merger taskforce and its fast-track approach to certain joint ventures needed to be emulated across the remainder of the union's competition enforcement.

Mr Elks chaired a group of CBI members which put forward the six-point plan: It advocates:

- Applying EU competition rules only where business agreements have a genuine effect on trade between member states.
- Excluding agreements which are insignificant in terms of their competitive effects from possible prohibition under the Treaty of Rome.
- Reflecting commercial needs rather than bureaucratic convenience in so-called "block exemption regulations" which cover entire categories of agreements such as patent licensing and franchising.
- Limiting commission interference in "vertical" agreements, such as those covering distribution or purchasing, to those where the businesses involved have real power on the relevant market.
- Directing action under the treaty only against dominant companies which are genuinely abusing their market power.
- Respecting the rules of natural justice and the rights of defence when the commission is enforcing competition law.

The CBI says EU policy on state subsidies is broadly on the right lines in encouraging a shift away from supporting particular business sectors to schemes aimed at assisting needy regions. But the execution of policy must be improved to make competition fair, it says.

Watchdog eases gas price setting formula

By Robert Corzine

Ofgas, the gas industry regulator, yesterday relaxed the main element in the tariff formula which sets the price British Gas can charge to its monopoly market of about 18m residential customers.

Ms Clare Spottiswoode, Ofgas director-general, accepted a recommendation by the Monopolies and Mergers Commission that the efficiency factor in the formula, set in 1992 at the retail price index minus 5 percentage points, be relaxed to RPI minus 4. The factor makes up 60 per cent of a consumer's bill, with the actual cost of the gas accounting for the remainder.

The reduction is intended to compensate British Gas for the large loss of commercial and industrial customers to independent gas suppliers in the past two years, and the negative impact that has had on investment.

Mr Norman Blacker, managing director of UK Gas Business, the domestic supply arm of British Gas, welcomed the decision, saying it would "help redress some of the loss of income caused by ... the introduction of competition into the market above 2,500 therms". Independent companies have captured 39 per cent of the gas market above 2,500 therms a year since 1991. The financial benefit to British Gas is likely to be worth about £24m after-tax this year, according to City analysts. British Gas shares closed up 4¼p at 349½p.

Ofgas said the change would have little impact on consumers, who would simply see a slower rate of decline in gas prices. The regulator estimated gas prices would fall 1.8 per cent less over three years than under the RPI minus 5 formula. That would be equivalent to about £2 a year for the average household, it said.

But the Gas Consumers Council said prices would fall by 3 per cent less over three years. Mr Ian Powe, director, said some would see this concession as a watchdog eating from the hand it used to bite.

Many analysts saw the decision as further evidence of a rapidly improving relationship between Ofgas and British Gas. Relations between the two were often turbulent under Sir James McKinnon, former director general, who stepped down last November.

Earlier this week Ms Spottiswoode admitted that Ofgas had at times "exceeded its powers" in dealing with British Gas.

But Ofgas was adamant yesterday that it will not implement another MMC recommendation that consumers pay for the break-up of British Gas. The government last month rejected that course in favour of the complete separation of the storage and transportation business from British Gas' trading arm.

The regulator said that since divestment is no longer an issue, "there is no reason why the costs of internal restructuring should be borne by customers".

Welsh windfarm application rejected

By Roland Adburgham, Wales and West Correspondent

The renewable energy industry has suffered its third setback within a fortnight in south Wales with a planning authority's rejection of a 45-turbine windfarm in West Glamorgan.

Port Talbot councillors voted this week to reject the application, by TriGen Windpower, for a 20MW windfarm on a forested hillside at a height of 500 metres. They decided its visual impact would be detrimental to the area and not in accordance with the county's structure plan.

Mr Tim Kirby, chairman of TriGen, a consortium of Eco-Gen of the UK, Sea West of California and Tomen of Japan, said yesterday it would have been a £20m project supplying electricity for 17,000 households. "We are gravely disappointed because it is an A1 site," he said.

The decision, following the rejection by councils of two other windfarms in Dyfed earlier this month, reflects increasing public opposition to them. Council officers recommended approval of the TriGen application but people in the nearest village, Glyncorrwg, signed a petition against it.

TriGen operates two windfarms in Wales and is planning the UK's largest one near Kielder in Northumberland, which would have up to 267 turbines.

Drillers tap into a rich seam of optimism

Robert Corzine looks at the prospects for oil exploration projects in the North Sea

The drillers on oil rigs exploring the North Sea are an optimistic breed. A positive attitude helps when only a third of exploration wells drilled find significant traces of hydrocarbons and only a handful of those prove economically viable.

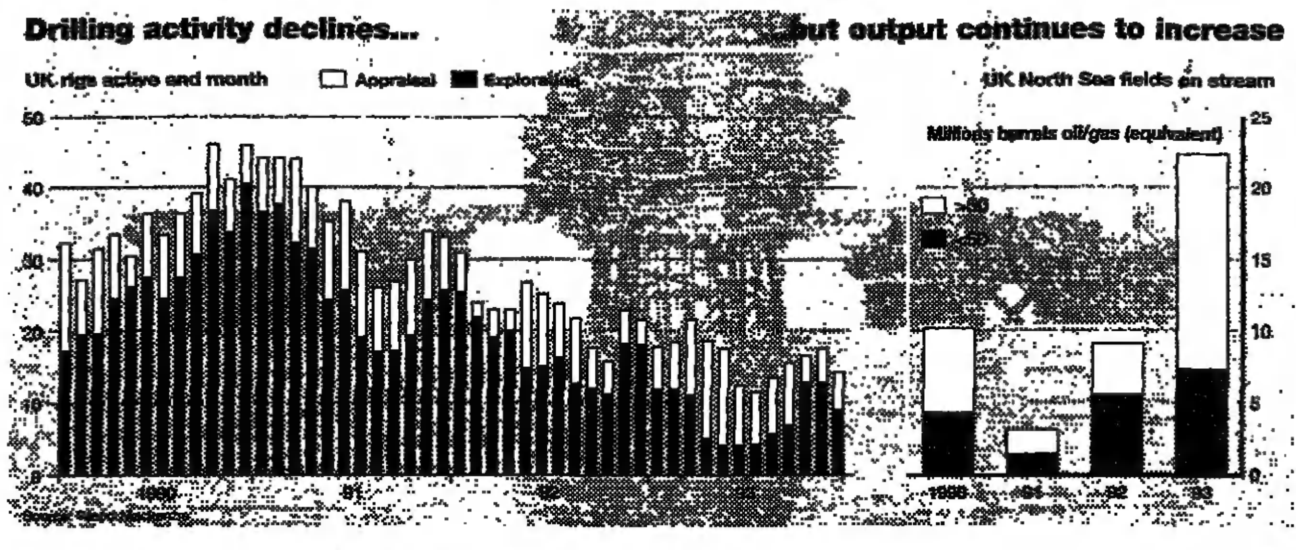
The drillers' optimism will be tested this year as the effects of low oil prices and tax changes made last year threaten a lean year for North Sea exploration.

A recent study from consultants Arthur Andersen suggests that companies have firm plans to drill only 100 exploration or assessment wells this year, compared with 121 last year and more than 200 in 1990, when tax policies encouraged exploration. About seven onshore wells are likely to be drilled this year.

The decline in exploration comes as UK North Sea production reaches levels last seen in 1988, before the Piper Alpha disaster led to large-scale shutdowns for platform modifications and the installation of new safety equipment.

Oil production in 1993 was an average of 1.98m barrels a day, a five-year high as 14 new oilfields came onstream, compared with nine in 1992. Gas production was up 20 per cent.

Average daily oil and gas revenues rose by nearly 13 per cent to £33.5m, helped by buoyant gas prices and foreign exchange rates which offset somewhat the steep fall in oil prices, down from about $20 a barrel for the benchmark Brent crude in January last year to a current level of about $14.



The production surge gave a strong boost to the UK economy last year, contributing 0.2 per cent of the seasonally adjusted 0.7 per cent increase in total GDP for the fourth quarter, according to government figures. The development of new reserves continued to account for about a fifth of UK industrial investment in the first half of last year, according to official statistics.

Oil output is likely to rise again this year as additional fields come on stream as a result of investment decisions taken a few years ago. Ms Kate Jackson, an analyst at Wood Mackenzie consultants in Edinburgh, says five new oil fields should begin producing in 1994. That, according to provisional estimates from Wood Mackenzie, will increase UK offshore production for 1994 to an average 2.5m barrels a day.

Revenues, however, will come under pressure unless oil prices recover, a prospect that divides analysts. City forecasts for the average price of Brent crude in 1994 range from $14-$18 a barrel, compared with $17 a barrel reached last year.

Short-term effects of low prices on North Sea output are surprisingly small. A recent Wood Mackenzie study concluded that a barrel of North Sea oil costs on average $5 (£3.30) to produce. Despite the North Sea's reputation for high production costs, most existing fields should remain profitable even if the oil price struggles to rise above the present depressed level of $14 a barrel. Even a collapse to $10 a barrel would lead to only a marginal decline in production to the year 2000, the study said.

Analysts say this is because cost-cutting and technological innovation is helping companies find and recover greater amounts of oil at lower costs. The extensive infrastructure of North Sea pipelines and land terminals mean new discoveries near existing fields can be easily and cheaply connected to pipeline networks.

The ownership structure of most North Sea fields is another factor likely to keep even marginal fields producing, according to Ms Jo Armstrong, economist with the Royal Bank of Scotland.

It is common for a dozen companies, ranging from very small exploration and productions firms to the integrated majors such as Shell and BP, to have stakes in individual fields. "The different financial and tax positions of the partners militates against early shut-ins," she says. The cost of an idle North Sea platform also deters early closedowns.

It is no surprise that companies seeking short-term financial relief find it easier to postpone exploration projects.

But those that can afford to continue drilling should find that costs have fallen sharply. Current day rates for rigs are at the bottom of usual £17,000-£22,000 range, according to Mr Robert Steven of the FT's North Sea Letter. High lay-up costs mean that many drillers may simply grin and bear it by accepting contracts below their operating costs while waiting for oil prices to rise.

Britain in brief

Forestry Commission sell-off fading

The prospect of the privatisation of the Forestry Commission's woodlands is receding rapidly. An inter-ministerial review group is expected shortly to recommend against it.

Instead it is believed to recommend dividing the Forestry Commission's woodlands between commercial forests and those whose value is primarily as part of Britain's natural heritage and for recreation. It is expected to propose creating an executive agency within the commission to manage the commercial forests with greater financial transparency than exists now.

Ministers have long recognised that the idea of privatising the Forestry Commission's woodlands, which cover 5 per cent of Britain, is unpopular with the public and especially with many backbench Conservative MPs.

The changes to the commission proposed by the review group could have the advantage for the government of not requiring legislation.

The inter-ministerial review group, set up last March to advise on the future of the Forestry Commission's woodlands, is likely to submit its report to ministers in the next few weeks. It has been advised on the options by the merchant bank Samuel Montagu and the land agents John Clegg.

The ministers – Mr Ian Lang, Scottish secretary, Mrs Gillian Shephard, agriculture secretary, and Mr John Redwood, Welsh secretary – will decide what policy to adopt and issue a consultation document, probably not before early summer.

N-waste 'should be buried'

Highly radioactive nuclear waste should be buried deep underground, one of the authors of a report on managing nuclear waste said yesterday.

But Mr Peter Saunders, an energy consultant formerly with the UK Atomic Energy Authority, said that "time is on our side" – much high-level waste produced in the past 20 years will have to cool for several more decades, allowing scientists to evaluate of the best techniques.

The report, for Brunel University, London, surveys the methods used for storing nuclear waste in Europe.

The government has not yet announced whether the forthcoming review of the nuclear industry will cover the controversial question of the long-term disposal of radioactive waste. The Thorp reprocessing plant, which has just received a licence to start operating, does not provide a complete solution: it extracts reusable fuel from used fuel, but still leaves some highly radioactive waste.

According to the report, more than 70,000 tonnes of used nuclear fuel has been produced from power stations in Europe, including countries in the former Soviet Union, during the past 30 years.

Venables set for England job

Mr Terry Venables will become manager of the England football team today. The Football Association, English football's governing body, will hold a press conference at Wembley Stadium this afternoon to announce the appointment of the manager. "There will not be any surprises," said sources at the FA "everyone seems to know already".

Mr Venables is the overwhelming favourite among players and club managers in England. However, the FA are understood to have been concerned about allegations on British television about Mr Venables' financial dealings.

Heathrow-Orly route announced

British Midland Airways is to start the first Heathrow-Paris Orly airport service on March 27, it said yesterday. Its four-times-a-day return services will be in addition to flights from Heathrow to Paris's Charles de Gaulle airport.

PROPERTY

Ministers in a muddle

Planning and transport policies must be better co-ordinated, argues **Stuart Robinson**

In a bid to appease lobby groups concerned about the threat to town centres, Mr John Gummer, UK environment secretary, last week fired a salvo against out-of-town developments.

Putting the heart back into cities "means discouraging development on green-field sites on the edge of cities", he said in a speech to the Town and Country Planning Association, a group of business and planning interests.

Mr Gummer promised to consider revising PPG6 – a planning guidance note issued in October 1992 which stresses the need to revitalise town centres rather than promote out-of-town stores – if developers' proposals and the response of local authorities failed to reflect its broad thrust.

Mr Gummer's message was clear but it was patently counter to the approach taken by other ministers in the DoE, the Department of Trade and Industry and the Department of Transport.

His position is in contrast to the DoE's long-standing policy of supporting out-of-town proposals. Last year, Mr Tony Baldry, environment minister, stated that PPG6 did not constitute a shift in policy for town centres and retail developments. In another speech, Mr David Curry, planning minister, advocated the need to promote sites on the periphery of towns.

This apparent confusion over out-of-town development is symptomatic of a deeper problem in government policy-making: the chronic lack of co-ordination between its planning and transport policies.

The case for co-ordinating transport and land-use planning goes back 30 years to the publication of the Buchanan report on the long-term impact of traffic growth. One of the report's chief conclusions was that land-use development needed to be planned in conjunction with road and public transport provision.

Shortly afterwards, the DoE was created to oversee both planning and transport functions. This was reinforced by several other innovations in strategic thinking that brought planning and transport under the same wing. However, this new approach was never properly implemented. The DoE was separated from the Department of Transport, and land-use and transport planning became increasingly independent of each other.

The division between land-use and transport was epitomised in the development of London docklands. Encouraged by the Thatcher government, which rarely put transport at the top of its agenda, the LDDC was forced to attract jobs to docklands with little thought given to the provision of public transport.

The chickens came home to roost when it was realised in the late 1980s – at the height of the property boom – that in one development alone there was enough office space to house 55,000 workers who would be serviced by a light railway that could only accommodate 11,000 passengers an hour. This anomaly eventually led to a government announcement last October to extend the Jubilee line, linking Docklands with central London.

Another example of the split between transport and land-use planning is the transport department's decision to proceed with plans to widen the western sector of the M25 to 14 lanes, where policy constraints such as the need to preserve the green belt, are at their greatest.

This contrasts with policy in the East Thames corridor which covers large tracts of east London and the Thames estuary – an area suffering from problems such as unemployment.

In spite of the government's claim that it is trying to promote growth in east London, there has been little obvious progress on public or private transport schemes in the region. This is partly due to the appalling confusion arising from "on-off" decisions on projects such as the Channel Tunnel rail link, the East London river crossing or Crossrail.

Too often, public transport schemes have to depend on securing private sector funding. This demand is not imposed on road building, which arguably enhances property values still more. When the private sector is asked to look at road or rail schemes, the plethora of choices and the uncertainties of government policy make a constructive response difficult.

The transport secretary, Mr John MacGregor, and his cabinet colleague Mr Gummer must tackle this inconsistency of approach towards transport and planning policy. If they can then they will go a long way towards helping the government attract private-sector finance. They must:

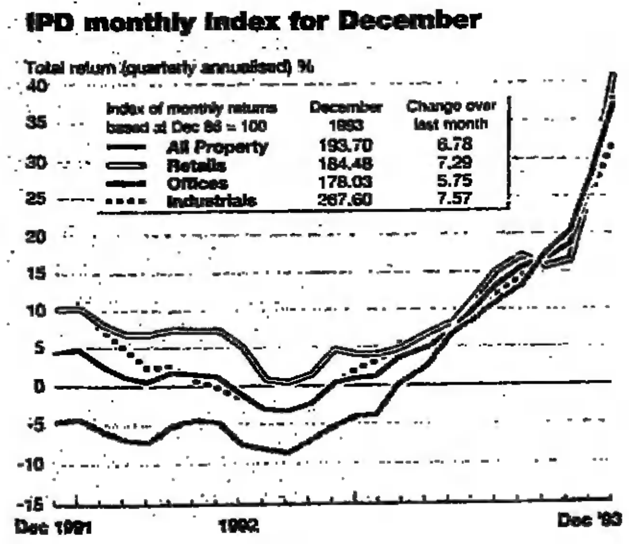
- set out which modes of transport they favour;
- prioritise the infrastructure projects needing finance;
- indicate the complementary pattern of urban development schemes they favour; and
- ensure that this approach is followed through by both their departments and local authorities alike.

Investors cannot work in a vacuum. They need a framework and not a black hole. And this framework must be shown to work.

The author is head of planning at Hillier Parker, a firm of chartered surveyors

Index hits new high

IPD monthly index for December



The Investment Property Databank, a research group, recorded a 16.4 per cent total return from its monthly all-property index in 1993. For the month of December, the index rose by 3.6 per cent, the highest single monthly figure ever recorded by IPD.

Further big yield cuts brought the aggregate equivalent yield to 8.9 per cent at the end of December, more than one percentage point below the 10 per cent levels that prevailed less than a year earlier.

Aggregate rental values fell by only 0.3 per cent in December, but the rate of decline for the calendar year, at 8 per cent, was barely an improvement upon the 1992 results.

All sectors showed improvement in capital growth and shorter yields in December. Retails remained the best performing sector with a total return of 4.1 per cent, compared with 3.0 per cent in November. Offices remained in second place, with a total return of 3.3 per cent, followed by industrials at 2.9 per cent.

For the quarter to December, all sectors showed improved returns. Retails returned 8.9 per cent, a 5 percentage point improvement over the quarter to September. At the year-end, offices recorded the most improved 12-month total return, reaching 15.0 per cent for 1993.

LEGAL NOTICES

THE INSOLVENCY ACT 1986
ROBERT FRASER ESTATES LIMITED

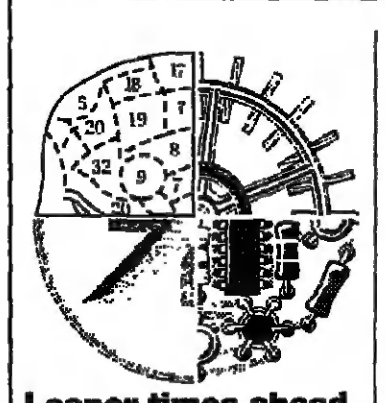
NOTICE IS HEREBY GIVEN pursuant to Section 98 of the Insolvency Act 1986, that a Meeting of the Creditors of the above-named Company will be held at No. 1 Riding House Street, London W1A 3AS on 1st February 1994 at 11.15 am, for the purposes mentioned in Section 99 to 101 of the said Act.

A list of the names and addresses of the Company's creditors will be available for inspection free of charge at No.1 Riding House Street, London W1A 3AS between 10.00 am and 4.00 pm on 28th January 1994 and 31st January 1994.

Creditors wishing to vote at the Meeting must lodge a full statement of account and (unless attending in person) a proxy in the form attached at No 1 Riding House Street, London W1A 3AS no later than 12 noon on 31st January 1994. Secured creditors must, unless they surrender their security, give particulars of their security and its assessed value if they wish to vote at the Meeting.

BY ORDER OF THE BOARD.
Signed: J M Bottwaley - Company Secretary

Worth Watching · Della Bradshaw



Leaner times ahead for car thieves

German car thieves look set for leaner times with the introduction of equipment to immobilise cars and so prevent them being stolen.

Minitronic/SET of Freising has introduced a radio-based system which does not need a battery to power it. Cars protected by Car-Protect have a small transponder integrated into the car key and a reader mounted out of sight near the steering column. When the key is inserted into the ignition a radio signal transmits a 20-digit code to the reader, where it is compared with the stored code. Only if the codes match will the ignition start.

Car-Protect uses a transponder from Texas Instruments. The reader sends an electrical pulse out when the key is inserted and this is picked up by the transponder in the key to activate the system. Minitronic: Germany, 81 61 925 77.

Mini-PC lifts 486 to new heights

A company based in Farnham, Surrey, has launched what it claims is the world's smallest PC based on a 486 chip – a machine no bigger than a VHS cassette.

Lynwood believes its mini-machine, the MC40, will be used by systems integrators to build the power of the 486 chip into systems where traditional PCs have been too bulky – in the boot of a car for mobile computing, for example. In an office a series of the boxes could be rack mounted to save space. Lynwood: UK, 0252 734468.

Fingerprint system may aid banks

As a result of the rise in crimes related to credit card fraud and false money transactions, banks and other financial institutions are looking at improved means of recognising card holders – such as fingerprint recognition.

Japanese electronics manufacturer NEC is launching a fingerprint recognition system in Europe and the US that could help in the fight against crime.

The Unix-based automated fingerprint recognition system matches the fingerprints to those held on file. Prices start from £133,000 for a system which stores fingerprints from 50,000 people. NEC: Japan, 03 3454 111; UK, 071 353 4383.

Roulette adapted to slot machine

Gamblers who favour the uncertainty of the roulette wheel should soon be able to play their favourite game in the local games arcade. McNally Industries has combined the game of roulette with electronic slot machine technology to produce the Rapid Roulette Slot Machine, which is to be marketed by Sega Deith of London, part of the Japanese Sega empire.

The player inserts coins or tokens and chooses which numbers to bet on by pressing buttons. A free-spinning roulette wheel spins automatically, turning rapidly and then slowing to allow the ball to drop into one of the numbered slots. Sega Deith: UK, 081 336 1222.

Good vibrations from virtual reality

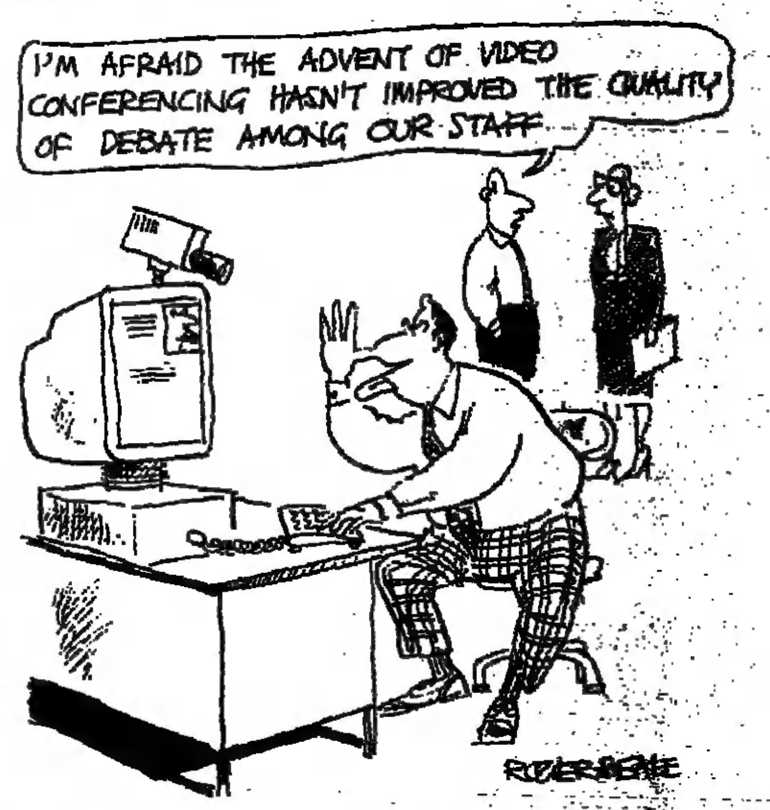
The day of the virtual reality one-piece body suit has moved a step closer with the unveiling of the Interactor body vest, writes Richard Rosen.

Interactor, from Aura Systems, is the world's first system to mimic feeling as well as vision and sound. The user puts on a body harness, which is connected to a games console, television, or stereo to receive the sound. This triggers a magnetic actuator which causes body pulsing vibrations; in effect, it turns the body into a loudspeaker cone.

A volume adjustor allows the user to adjust the intensity of the vibrations. Used with a computer game it translates into a buffeting as the player hits and is hit by the opponent. Interactor is due to be launched in the US in April at under $90. Aura Systems: US, 310 643 5300

New personal conferencing products allow users to hold meetings through their PCs, reports **Louise Kehoe**

Computers come face to face



The personal computer industry has for years sought the "killer app" – a compelling new application of PCs that would boost sales and draw new users into the market.

Intel, the world's largest chip maker and dominant supplier of microprocessors to the PC industry, may have found this elusive prize in the form of "personal conferencing". This week, the company launched PC add-on products that enable users to conduct video conferences from their desks, viewing each other in one corner of their computer screens while simultaneously reading, discussing and updating the displayed documents.

"Personal conferencing will change the way people in business communicate by bringing the power of the PC to one-on-one communications," predicts Andrew Grove, Intel's president and chief executive. "We are entering an era when people will use their PCs to make and to receive calls and to solve business problems together."

Intel's PC-based technology does not match the standards of dedicated video-conferencing systems. The video image of participants is small and rather jerky at 15 frames per minute. But it is a relatively low-cost and easily installed system.

Intel is already using the technology in its own offices. Colleagues at distant sites can, for example, edit a report together. With the draft version displayed on their screens, they may each suggest changes – pointing to relevant sections, highlighting important words and inserting new text as if they were sitting at the same desk. Both parties can see each other's reactions.

Personal conferencing "addresses the contemporary problems of commerce," says Grove. It improves the flexibility, helping employees in separate locations to collaborate more easily. It eliminates time-consuming shuffling of work from one individual's computer to another. It can cut travel time and costs, and facilitate "telecommuting".

Personal conferencing "is very processor intensive," says Grove. "Clearly, it works better on high-performance personal computers." That should translate into a sales boost for Intel's latest Pentium microprocessor, he believes.

Intel is spending $100m (£67m) a year on developing personal conferencing technology, says Grove. The market may be huge. "We will play a part in it, we hope a big part, but if this is going to be as big as it can be, it will require the work of dozens, if not hundreds, of companies."

Intel has already secured the support of software developers Lotus Development, Microsoft, Novell, Software Publishing and WordPerfect, which have announced their interest in developing personal conferencing software. Computer manufacturers AST, Compaq, Digital Equipment, Dell and Gateway 2000 have also endorsed the technology.

"We believe this is going to be a very important new PC application," says Eckhard Pfeiffer, Compaq chief executive. Sales of computer-based videoconferencing systems will grow from $70m last year to more than $3bn by 1997, market researchers predict.

To take full advantage of Intel's new technology the user needs a high-performance personal computer, based on either an Intel 486DX or a Pentium microprocessor and an ISDN (integrated services digital network) telephone line.

In the US, Intel has forged marketing agreements with AT&T and several regional telephone companies, which will provide ISDN telephone services along with Intel's ProShare software and hardware package. This includes video and communications PC add-in circuit boards, a monitor-top video camera, hands-free headset with microphone and ProShare software. Prices will range from $1,200 to $2,500.

Intel plans to launch its personal conferencing products in Europe this year, and has already made an agreement with one European telephone company, says Grove.

For those willing to sacrifice video telephone features, personal conferencing will cost much less. Intel will offer its ProShare software alone for $99. The program can be run on a standard 386 model personal computer equipped with a 9600 baud modem. The software includes a tool set with pointers, markers, highlighters and text tools. A "Jumpstart" feature allows another user to take part in a conference without having the ProShare software.

Sandoz splits the R&D difference

Like many big pharmaceutical groups, Sandoz of Switzerland has lived the nightmare of discovering a drug in a new category and then seeing another company bring a competitor compound to market first.

That is one reason why it has split its development department away from its research activity. Britain's Glaxo announced a similar move last year.

"Once you decide to develop a product, you have to go full out. There is no room for half measures," says Urs Bärlocher, chief executive of Sandoz.

The other reason for the change comes from the research side, where the rapid advance of biochemistry is changing the nature of research management. In the past, pharmaceutical research was chemical-based, and proceeded at a relatively gentle pace. Now, with the rise of biochemistry, it has become more fast moving.

Pharmaceutical companies have recognised that the speed of advances in biotechnology makes it impossible to keep their in-house laboratories up to speed on all fronts. Consequently, they have tended to set up co-operation arrangements with independent biotechnology laboratories and start-up companies.

Sandoz now has more than 20 such arrangements, consuming a tenth of its SFr1.2bn (£540m) R&D budget, and Bärlocher is convinced the number will rise. "We do not yet have a good feel for the right balance, but the trend is increasing," he says. He points out that it has always been difficult to find researchers with management skills, and now the requirements are much greater.

"You need someone who knows what is happening in basic research, where we can find leads for new compounds. He has to be able to decide quickly which co-operation deals we should enter and which ones we should keep. It is a matter of judgment, and in the past we have been too slow."

Assuming such a person can be found, he argues that it is now too much to ask him to look after development as well. In any event, he believes that the management of development, which involves testing a discovery to the point where it can be put on the market, demands different skills from research management.

"In development, it is a question of setting priorities. For the most part it is systematic, not creative. It should be run in a way very similar to a production centre. You can measure results and set clear targets."

Sandoz has had a notoriously slow development department in the past. A few years ago, it brought in the management consultants McKinsey to try to speed the process, and last year it set up a project team approach. "We still feel we are not among the very best," Bärlocher admits, "but we are now confident that we can catch up."

He claims that the split will not lead to greater bureaucracy. "We have tried to segment responsibility by flow of product. We want to give full responsibility to the heads of different sections, and reduce the matrix to a minimum."

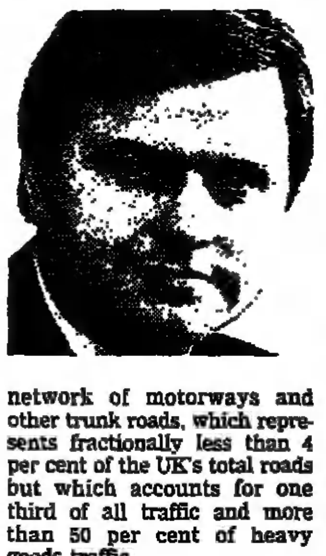
Development is by far the most expensive part of the R&D process, especially the clinical studies. Thus, the group believes it must concentrate its research efforts on finding what it calls number one compounds, those that are clearly ahead of the competition.

"It is no longer worth following the other guy. Even if you have a fast development department, it will become more and more difficult to catch up," Bärlocher says. "And you cannot count on the other guy making mistakes."

Ian Rodger

PEOPLE

Motorway course for BAe technocrat



Lawrence Haynes, right, currently project director at British Aerospace, has been appointed to the high-profile position of chief executive of the Highways Agency, which will be established in April, within the department of transport. The DTI made the appointment known yesterday, adding that Haynes is due to start work on February 14. He was unavailable for comment.

The Highways Agency is part of the government's Next Steps programme of setting up agencies, thereby changing the structure of the civil service, with the aim of increasing efficiency and providing greater value for taxpayers' money.

The job is bound to be sensitive. According to last November's budget statement, total spending on trunk roads and motorways in England will average nearly £2bn over the next three years, and a number of controversial decisions – such as widening the M25 motorway circling London – are still pending. Moreover, Haynes will also be in charge of bypasses, which are always politically sensitive, particularly so in marginal constituencies.

This particular agency will be responsible for a 6,600 mile network of motorways and other trunk roads, which represents fractionally less than 4 per cent of the UK's total roads but which accounts for one third of all traffic and more than 50 per cent of heavy goods traffic.

Haynes, 41, served as a technician in the Royal Air Force from 1969 until 1978, when he studied for a Business Law degree at Heriot-Watt University. He joined British Aerospace in 1983, eventually becoming managing director of Microtel, a joint venture company put together by BAe in the telecommunications field. He implemented the disposal of Microtel in 1992 and rejoined BAe, becoming project director dealing with "special assignments".

As chief executive of the agency, with a salary in the region of £100,000, Haynes will be responsible for ensuring that it achieves financial and quality of service targets. The stated aim of the agency is to "promote an efficient, reliable, safe and environmentally acceptable trunk road network."

The government argues that creation of the agency "should help to speed up delivery of the current substantial programme of road improvement.

■ Melanie Ogley, formerly finance director and general manager of Rockwell Automotive (UK), has been appointed financial director at Mendle, part of WOLSELEY GROUP.

■ George Cooper, general manager UK for BRITISH AIRWAYS Regional, is also appointed md in succession to Rod Hoare.

■ Bill Baugh, a director of MOLINS, appointed chief executive of its subsidiary Langston Group.

■ John Stace, appointed sales director of MERIEUX UK; moves from Steifel Laboratories.

■ Andrew Callaghan, formerly md of operations at BRS, part of NFC, has been appointed md of ANC.

■ David Anslow, president of the life sciences group, has been appointed ceo international at HUNTINGDON INTERNATIONAL HOLDINGS.

■ John Gutteridge, formerly director of business development at Lucas Aerospace, has been appointed md of the London-based WESTINGHOUSE ELECTRONIC SYSTEMS Co.

■ Ken Oginsky, finance director of Lyons, has been appointed finance director of ALLIED-LYONS RETAILING; Malcolm Wright, previously finance and international director, now becomes international director.

Fresh breath sweeps into Welsh aviation sector

For a man usually associated with the introduction of the breathalyser setting up a small charter air business is not so far fetched as it may seem.

Welsh Dragon Aviation, launched in Cardiff yesterday, brings to fruition a dream Tom Parry Jones had when he was a schoolboy in Anglesey, north Wales, 50 years ago.

He then lived not far from the RAF base on the island "and the sight of the jets taking-off and landing fired in me the sort of boyhood enthusiasm for flying that has lasted all my life."

But instead of taking up flying he became a chemist, took a doctorate in Canada and while lecturing in Cardiff in the late 1960s was introduced to an engineer who had an idea for an advanced form of the breathalyser.

The breathalyser had been introduced in the US in about 1940 but it was a cumbersome affair which needed a laboratory to produce results.

Jones – with his speciality in alcohol chemistry – and his colleague set up Lion Laboratories to develop the first hand-held electronic breathalyser in the world.

"That was 1971," he says, "and it changed everything. We produced a piece of equipment the size of a cigarette packet which allowed police to test drivers at the roadside instead of having to wait for samples to be analysed. Our success was immediate. We captured not just the British market but a big share of the world market with sales to the US, Scandinavia and the rest of Europe."

Three years ago Parry reached the point where he "looked for other challenges" and sold out to MPD, of Kentucky.

At the age of 56 he learnt to fly, entered a round-the-world race – "we were respectably placed in the middle of the field" – and subsequently bought a bigger plane, a Cessna twin 340, the basis of his new company Welsh Dragon.

The company has bought the trading name and on-going business of Brenair International, for a sum Parry Jones declines to disclose, and intends to tap the business and sporting market with the Cessna and a larger Piper Chieftain.

Ford rings some top changes

John Oldfield, a vice president of Ford Motor and head of all Ford's car development and engineering in Europe, is retiring from the US carmaker.

He has been appointed executive chairman of Aston Martin Lagonda, the UK luxury sports car maker.

Oldfield will take over from Walter Hayes, chairman of Aston Martin since 1991, who will be 70 in April, the mandatory Ford retirement age.

Hayes will remain on the board of Aston Martin, which became a 75 per cent-owned Ford subsidiary in 1987.

Oldfield's move to Aston Martin has opened the way for the promotion of Richard Parry-Jones, Ford of Europe's chief engineer for vehicle engineering – and a rising star in the Ford organisation – to become Ford of Europe vice president for product programmes and vehicle engineering and design.

Parry-Jones, 42, will become a key member of the new generation management team that is being formed at Ford of Europe by Jacques Nasser, 46.

Nasser took over as chairman in January last year with the task of halting the mounting losses of Ford's European operations.

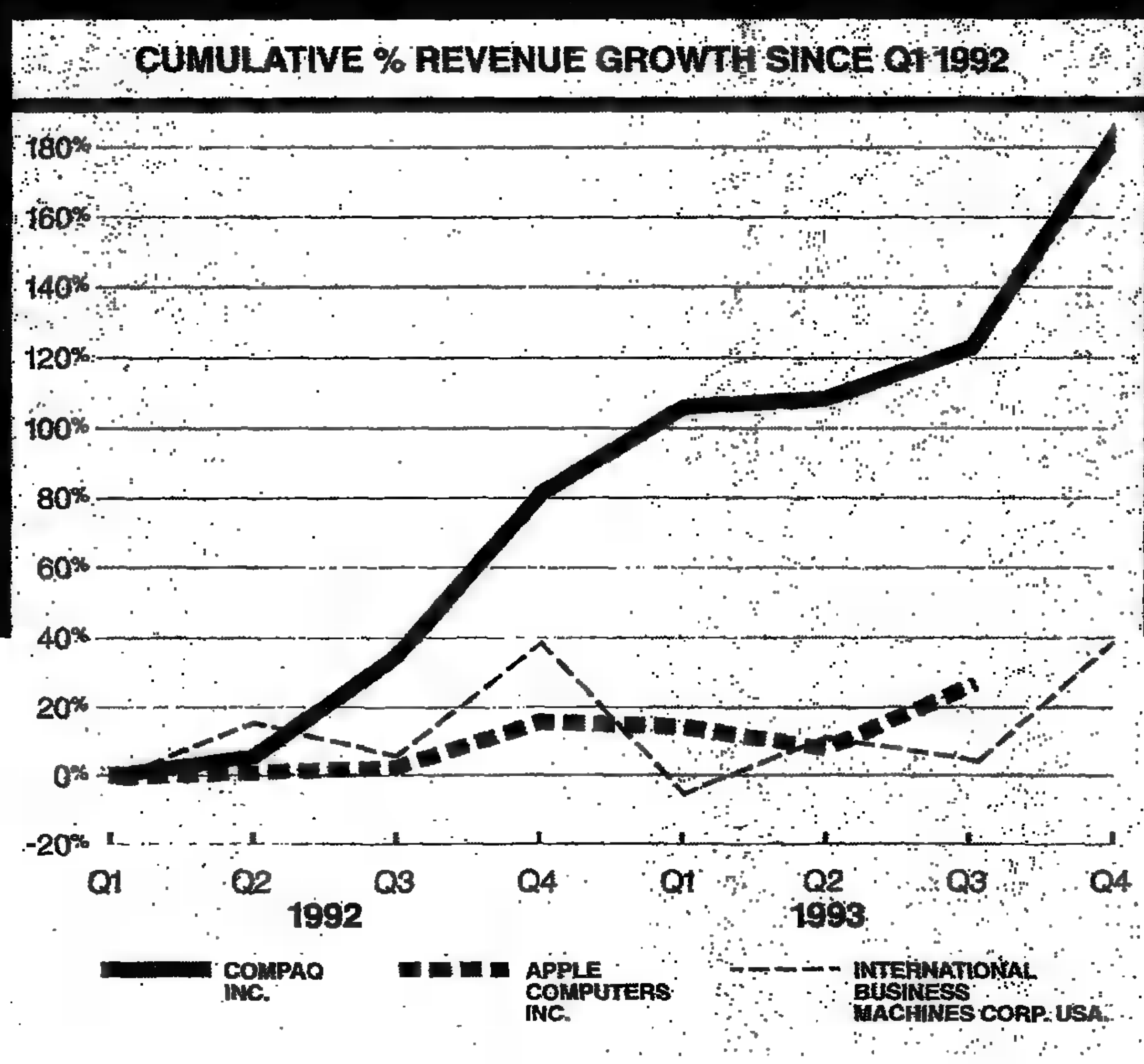
Parry-Jones's position as head of all of Ford's car development and engineering in Europe will be crucial to determining the US carmaker's fortunes in Europe during the second half of the 1990s and beyond.

An engineer educated at Salford University, he joined Ford in 1969 and has held senior positions in product planning, engineering and manufacturing in Europe and in the US.

He will take over from Oldfield responsibility for forcing the implementation of simultaneous engineering methods in Ford of Europe with the aim of wringing greater efficiency and productivity out of Ford's product and manufacturing engineering operations in the UK and in Germany.

He has previously headed the manufacturing operations at Ford's Cologne plant, where the Fiesta and Granada Scorpio are assembled, before becoming Ford of Europe chief engineer in 1991.

YET ANOTHER NEW LINE FROM COMPAQ THE COMPETITION CAN'T FOLLOW.



Source: Calculated from public [redacted] by the three named companies from calendar Q1 1992 [redacted] Q4 [redacted] inclusive. Q4 [redacted] figures for Apple Computers Inc. [redacted] available [redacted] the time of going [redacted] press.

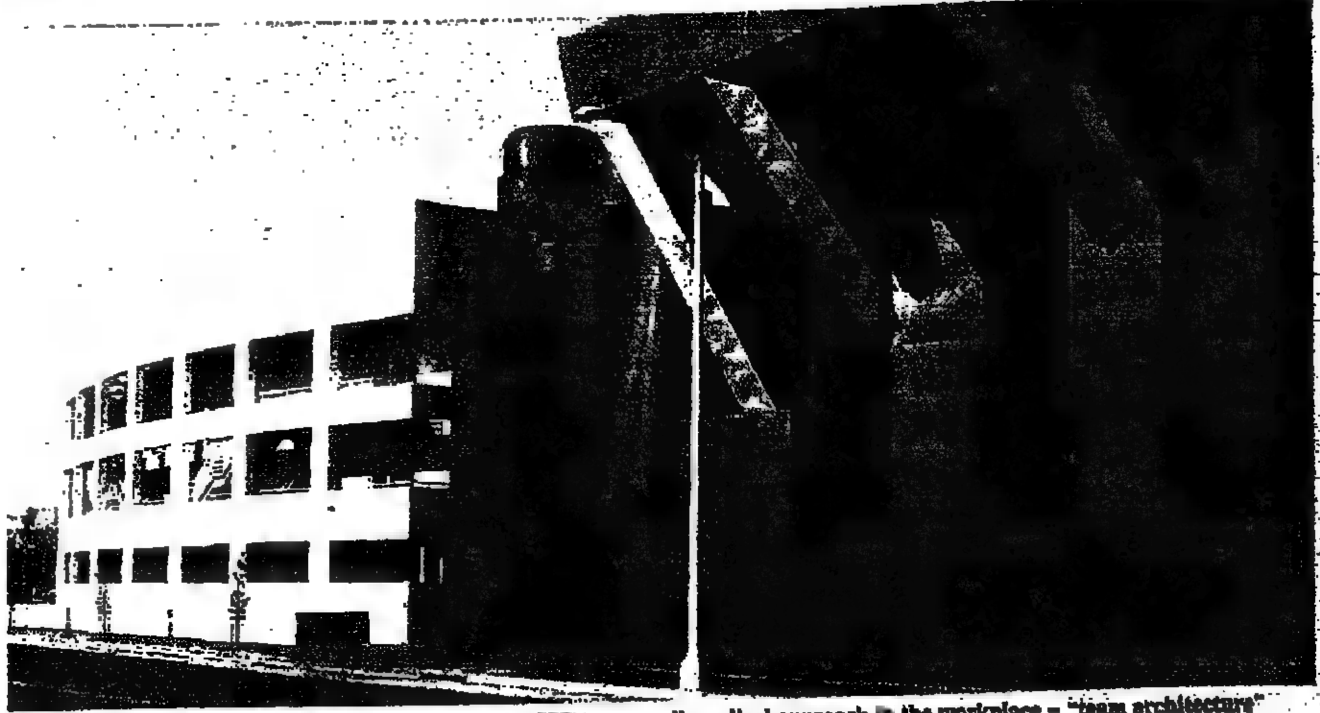
Figures announced yesterday showed our worldwide revenue grew further still during 1993, reaching $7.2 billion. Our profits have steadily followed in the same direction, up 116% to $462 million. Which is another reason why you should follow this leader.

COMPAQ
SHOWS THE WAY

MANAGEMENT

Chiat/Day is banishing desks, phones and filing cabinets in a radical move, says Martin Dickson

Dismantling the office



Chiat/Day's vision thing: [redacted] unconventional exterior [redacted] an equally radical approach [redacted] the workplace – "team architecture"

A few hundred yards from funky Venice beach, the most [redacted] in Los Angeles, [redacted] one [redacted] the city's most surprising pieces of architecture: an [redacted] building with [redacted] completely dissimilar halves – one rather like a ship and the other resembling [redacted] factory – linked in the middle by [redacted] giant pair of binoculars.

This [redacted] the headquarters [redacted] Chiat/Day, the US advertising [redacted] known [redacted] its [redacted]ventional, cutting-edge campaigns. Inside [redacted] building, Jay Chiat, the agency's [redacted] chairman, [redacted] pushing through an organisational upheaval which could prove just [redacted] radical as the architecture.

He [redacted] redesigning [redacted] way his staff work and the space in which they [redacted] so. It is, he [redacted] [redacted] attempt [redacted] make the business leaner, more [redacted] creative, [redacted] response to the tougher business climate of the [redacted] and changing relationships between agencies and their clients.

[redacted] observers [redacted] it [redacted] a significant early example [redacted] by American business towards [redacted] much [redacted] structure – [redacted] so-called "virtual corporation". Cynical advertising industry rivals [redacted] it as [redacted] smokescreen to [redacted] at Chiat/Day following the [redacted] some big accounts.

Whatever [redacted] motivation, the move is unusual – and traumatic for staff: individual workplaces are being abolished. No more will photographs [redacted] smiling, gap-toothed children adorn parents' desks, or favourite [redacted] decorate their walls.

Chiat has always been an innovator. In 1976, [redacted] abolished formal offices [redacted] the [redacted] replacing them with small, open-plan cubicles, [redacted] for senior members of staff. [redacted] is doing [redacted] with [redacted] cubicles, replacing them with a number of public meeting places. [redacted] include:

- Project [redacted] particular client, where [redacted] will [redacted] account meetings.
- A [redacted] library, equipped [redacted] computer equipment, with files stored [redacted] CD-Rom [redacted]
- Locker [redacted] can [redacted] personal items, [redacted] work cubicles, which they [redacted] use on [redacted] basis.
- A large [redacted] room/restaurant, [redacted] comfortable armchairs, a pool [redacted] and ping [redacted]. Says Chiat: "It will [redacted] and welcoming, [redacted] place to hang out . . . [redacted] go and get information."

If this sounds rather like [redacted] university campus, so it should. Chiat [redacted] that [redacted]ventional businesses are run too much like schools, [redacted] pupils sit [redacted] desks all day and [redacted] subject [redacted] supervision. He [redacted] Chiat/Day [redacted] more like a college, where "you can [redacted] 'Here is the assignment. [redacted] it. Come back and you'll be graded'." In [redacted] words, staff [redacted] given greater responsibility for their work and movements, [redacted] "empowered", [redacted]agement jargon.

They will [redacted] mobile, and when they [redacted] in [redacted] building they will be [redacted] home, [redacted] car or [redacted] client's office.

The new system, which is also being introduced in Chiat's [redacted] York [redacted] and will eventually reach its London branch, [redacted] study of work patterns within [redacted] agency and [redacted] been [redacted] possible by [redacted] innovations [redacted] mobile communications.

[redacted] of having a [redacted] fixed phone and [redacted]puter, staff will be equipped with their own personal phone numbers, cellular phones and notebook computers. Filing cabinets will also disappear, [redacted] documents and letters will [redacted] scanned into the firm's computer network.

[redacted] that [redacted] is a much more efficient use of [redacted] and space. Chiat/Day's [redacted] already spend much of their time away from their desks, in meetings [redacted] the road, and [redacted] takes [redacted] long time [redacted] by phone.

"The phone," [redacted] says, "has become [redacted] symbol of non-communication rather than [redacted] because people are [redacted] in their offices." With [redacted] cellular unit, they [redacted] always [redacted] touch.

The redesign [redacted] unique [redacted] Chiat/Day, though when it was planning [redacted] move the agency discovered [redacted] Finnish company, SOL Cleaning Service, which had already implemented [redacted] similar scheme, apparently with considerable [redacted]

Chiat hopes the new system will keep the agency "ahead of the curve" as big changes rock the advertising industry. Advertisers, he says, are [redacted]sessing the cosy relationship they [redacted] had with [redacted] single agency, and are looking for greater creativity at lower cost.

[redacted] reckons that "it is just [redacted] matter of time before everyone [redacted] reviewing their relationship". And to succeed, agencies will need [redacted] show they understand [redacted] client's businesses and [redacted] contributing to [redacted] as well as holding down their costs.

He [redacted] the [redacted] plan – which he [redacted] "team architecture" – will encourage more interaction between [redacted] members, leading to better teamwork and creativity.

[redacted] anxious [redacted] dispel [redacted] widespread notion that [redacted] scheme is designed [redacted] make staff work from home. "It is not [redacted] telecommuting. [redacted] about working differently while you [redacted] in the office."

He hopes [redacted] lack [redacted] will encourage staff [redacted] spend [redacted] of [redacted] building with clients. "We [redacted] them focused [redacted] client's business, [redacted] internal [redacted] of who [redacted] office."

In spite [redacted] the initial [redacted] new capital equipment, [redacted] system [redacted] a financial pay-off [redacted] it requires less office space.

[redacted] can [redacted] around [redacted] with roughly 30,000 [redacted] compared with around 100 employees [redacted] a conventional layout. The system is also more flexible, [redacted] he [redacted] increase his [redacted] raising [redacted]

But [redacted] move to team architecture [redacted] a [redacted] gamble. The disappearance of desks – [redacted] form of office security blanket – could hurt staff morale, which is particularly critical in advertising.

Chiat [redacted] the transition will not [redacted]. "The change is monu[redacted]. I don't [redacted] of [redacted] people implementing [redacted] have any sense of how much despair there's going to be, how [redacted] trauma there's going [redacted] be, and the period [redacted] time [redacted] take for people to feel comfortable with this concept."

But he's convinced [redacted] will eventually.

New logic is here to stay

Edward Lawler condemns the latest theories as passing fads

Management has always been beset by fads and fashions, gurus and demagogues. But never before has there been such a sheer volume of new approaches.

This has led many managers to reach one of two incorrect conclusions: that the new approaches are all hype with no substance, or that a particular programme is the answer.

The reality [redacted] more complex and challenging: that the traditional logic about what makes [redacted] high-performing organisations is no longer valid, and that a new logic is emerging piecemeal in its place. Some early implementers of it are already gaining a competitive advantage.

What is the new logic? It has a number of elements and is not fully articulated by any single approach – certainly not by [redacted] very popular re-engineering movement, [redacted] James Champy acknowledged in [redacted] column on January 14. [redacted] Value [redacted] Top [redacted] Fundamental [redacted] new logic [redacted] the belief that [redacted] can be [redacted] at all levels [redacted] an organisation. In the [redacted]ventional logic, the [redacted] is [redacted] organisations, if structured properly, [redacted] value primarily [redacted] top.

The [redacted] logic suggests allowing individuals throughout the organisation to co-ordinate [redacted] their [redacted] work, and [redacted] reduce the [redacted] for layers of management [redacted] bureaucracy. This [redacted] mean [redacted] ordination, [redacted] without it [redacted] organisation is unlikely to add value above [redacted] beyond [redacted] an individual can add. Thus it is critical to put individuals [redacted] them to [redacted] lateral co-ordination and self-control so they can [redacted] the value that, in the [redacted] logic, is added [redacted] the top

[redacted] Champy pointed out, a self-control environment [redacted] and direction [redacted]. His attack on "empowerment [redacted] traditionally advocated" for being tantamount [redacted]cation, [redacted] largely [redacted] straw man argument, [redacted] few proponents of empowerment have argued [redacted] managers should just [redacted] out [redacted] the [redacted]. Man[redacted] need to provide employees with information, training and power, and hold them accountable for their performance. [redacted] costs, [redacted] well [redacted] creating [redacted] that is more responsive [redacted] has [redacted] focus on quality.

- Pyramids [redacted] unit structures. [redacted] old logic stresses [redacted] control requires hierarchy. However, [redacted] the experiences of Xerox and Motorola have shown, [redacted] empowerment often requires [redacted] major organisational restructuring which destroys the traditional pyramidal structure.

It is not enough just to [redacted]ate problem-solving teams, [redacted] total quality management [redacted] do, or organise around [redacted] as re-engineering advocates. The [redacted] logic requires the flattening of an organisation, and the creation of one which instead of being structured into functions, is organised around small groups [illegible] businesses [illegible] which have their own accountability and their own customers.

- Individuals to teams. In order for [illegible] processes to work, individuals need to be grouped into multi-functional teams. Thus, while the old logic suggests that individual accountability and responsibility are of supreme importance, the new logic assumes that individuals can do little in complex, inter-dependent situations. As a result, it is best to hold teams accountable, and to organise around teams and their structures. So managers need to be conscious of how their behaviour affects team performance, and what they [redacted] to [redacted] more [redacted].

Reward [redacted] also need [redacted] changed. Instead of individuals being rewarded [redacted] how well they do their jobs (this has not even been [redacted] in [redacted] organisations), they [redacted] be measured [redacted] rewarded for [redacted] team and their business unit. Finally, [redacted] employees [redacted] the size of their jobs and their altitude in the hierarchy, individuals [redacted] to be paid for their value-adding competencies.

I am often asked what is beyond the [redacted] logic [redacted] organising. [redacted] next [redacted] At this point, I think this is the [redacted] question. It incorrectly [redacted] that the principles [redacted] I have [redacted] new logic represent [redacted] transitory phase. The new logic is still [redacted] work [redacted] pro[redacted], [redacted] is likely to [redacted] the dominant logic for many decades. It [redacted] logic of globally competitive informa[redacted] technology-based organi[redacted] look for [redacted]petitive advantage through their organisational competencies. As such, it is likely to continue to evolve, and to be in place for [redacted] until [redacted] world [redacted] new technologies [redacted].

The implications of this for managers are clear. The old organisational life which may be comfortable [redacted] predictable is disappearing rapidly. The new logic outlined here is not like the fads and fash[redacted] that have gripped management [redacted] the [redacted] it represents [redacted] change in [redacted] way organisations [redacted] operate. People who develop [redacted] skills to [redacted] effective in organisa[redacted] which follow [redacted] new [redacted] will thrive. Those who [redacted] not will be just as obsolete as poorly [redacted] production workers in [redacted] high-technology manufacturing facility.

The author is professor of management [redacted] organisation [redacted] the University of Southern California [redacted] of Business Administration [redacted] of the Centre for Effective Organisations.

Christopher Lorenz's column [redacted] resume [redacted] February 11.

Bold stab at Die Soldaten

Max Loppert reviews the Paris premiere of Zimmermann's opera

The long-awaited [redacted] premiere of [redacted] Alois [redacted] [redacted] has [redacted] place at [redacted] Opéra Bastille, [redacted] after-shock of [redacted] artistic impact can still be registered all over the city.

This remarkable piece – the composer's own treatment of [redacted] revolutionary 1775 play by [redacted] Lenz – was completed in [redacted] late [redacted] pronounced unperformable, reworked, and eventually given [redacted] premiere at *Cologne in 1965; since then it has* [redacted] by [redacted] increasing [redacted] brave companies [redacted] Europe [redacted] US.

The [redacted] *Grove* [redacted] that Zimmermann's single [redacted] in [redacted] form [redacted] "widely acknowledged [redacted] important [redacted] German [redacted] of Berg". Certainly, [redacted] the cultural history of the second half of our century [redacted] a position [redacted] by [redacted] postwar [redacted]

[redacted] *first,* [redacted] celebrated [redacted] many-layered complexities [redacted] four-act [redacted] rigorous 12-note idiom, intricately laid out for a [redacted] ensemble [redacted] singers, instrumentalists (including onstage jazz band), [redacted] figurants, with [redacted] and filmed [redacted] in [redacted] act. The opera's precisely plotted [redacted] – [redacted] unfolding [redacted] at the same [redacted] – parallel contemporary developments in Stockhausen; [redacted] triple-stage devices [redacted] *Come* [redacted] *River,* Henze's [redacted] for Covent Garden, pale [redacted] insignificance in *comparison.*

[redacted] from [redacted] first, [redacted] other audience-members, even [redacted] utterly unsympathetic to [redacted] postwar avant-garde, were yet able to submit themselves [redacted] the immediacy [redacted] theatrical [redacted] Zimmermann's creation.

In Paris, [redacted] packs a mighty punch. The Bastille stage, inhospitably large [redacted] Mozart and *even Puccini,* [redacted] fortably contains [redacted] furthest-flung activities. The [redacted] acoustics, whose distancing tends to dampen the delights of the general repertory, provide [redacted] dilution [redacted] the chamber-music filigree that marks much of [redacted] instrumental part-writing, nor barrier [redacted] the contorted eloquence of the [redacted] parts – which, [redacted] their upward leaps, wide intervals [redacted] rhythmic notation, must be hell [redacted] right, but *which come together to make in situ an* always justly judged [redacted] progression.

Altogether, the [redacted] aspects [redacted] Bastille [redacted] are here favoured [redacted] display – and, since this is an opera that requires maximum amounts [redacted] and money [redacted] mount, [redacted] obviously [redacted] providing [redacted] wherewithal [redacted] happen in the first place. (In Britain *Die Sol*[redacted] might [redacted] missing link in [redacted] modern-operatic chain: brought [redacted] Edinburgh [redacted] by [redacted] company, it has [redacted] decade [redacted] and then, [redacted] cancelled by at [redacted] three of our national companies.)

[redacted] performance, a re-creation of the 1987 staging for Stuttgart by Harry Kupfer and the designer Wolf Munzner, combines stringent musico-dramatic organisation [redacted] abrasively brilliant show*manship. Several of the original Stuttgart* cast have [redacted] the journey to Paris, notably [redacted] Franz Mazura (Wesener), [redacted] Ebbecke (Stolzius) and Ursula [redacted] (the Countess), [redacted] superb [redacted] ductor Bernhard Kontarsky. [redacted] one [redacted] easily judge by reference to the Stuttgart recording (on Teldec), the new leading lady, [redacted] American [redacted] Saffer, [redacted] her predecessor with the crystalline beauty [redacted] her high soprano.

Lenz's play, a compact vision unfolded in *trenchantly ironic* stages, tells [redacted] Marie, daughter [redacted] the Lille fancy-goods merchant, [redacted] middle-class girl [redacted] whoredom by a [redacted] of army officers. Zimmermann was (he later wrote) [redacted] its operatic potential [redacted] much because of [redacted] socially-[redacted] content, much more [redacted] the [redacted] modernity [redacted] Lenz's elliptical, jump-cutting [redacted] characters, [redacted] *time-shifts.*

Kupfer's production does justice [redacted] *the laconically fierce world-view of Lenz* and [redacted] "total-theatre" adventure [redacted] Zim[redacted] *Upon the permanent set, a two-*tier wooden edifice baldly outlined, [redacted] play modern lighting [redacted] – [redacted] seizures, palais-de-danse swirls, magically winking hand-held lamps – in sharp con[redacted] to [redacted] in-period [redacted] and [redacted] During [redacted] instrumental interludes making up [redacted] pattern [redacted] Zimmermann's *Wozzeck*-inherited formal structures, [redacted] whole company [redacted] a-twitching like marionettes: [redacted] nice theatrical symbol [redacted] the dehumanising nature of military life.

This production flourishes the Kupfer signature [redacted] As is [redacted] wont, the producer [redacted] resist [redacted] the *whole final hog:* [redacted] the [redacted] stage [redacted] collapses in a *Götterdämmerung heap. On this occasion, however, the* device could be defended [redacted] an analogy for [redacted] *nuclear mushroom-cloud image on* [redacted] Zimmermann wanted [redacted] close, [redacted] *strangely cut-*off humanity that lies [redacted] the heart of [redacted] work.

[redacted] on record, [redacted] this latter reason an [redacted] "machine" [redacted] admired, not a fully-fledged experience to [redacted] drawn into. In the theatre, [redacted] extraordinary acuteness with which Zimmermann judged [redacted] and [redacted] amplifies the impression. But in the end, [redacted] comparisons that one makes [redacted] *Wozzeck* and *Lulu* suggest exactly [redacted] is missing [redacted] *an emotional* [redacted] in [redacted] vision which [redacted] audience to [redacted] from [redacted] more [redacted] *just an all-encompassingly harrowing* finality.

Opéra [redacted] performance February 2

Final scene of 'Die Soldaten' with Franz [redacted] and Lisa [redacted]

Gleefully outrageous out-size images: 'Propped', 1992, by Jenny Saville

Energy on a grotesque scale

William Packer reviews the latest exhibition at the Saatchi gallery

We may judge our [redacted] or politics, [redacted] even [redacted] or wives, [redacted] we [redacted] them for their [redacted] in curtains [redacted] our peril. So [redacted] is with [redacted] pictures.

Yet in Charles Saatchi we have a man who has been buying the art of his own time, which is [redacted] enough, and by [redacted] yard, which is [redacted] and [redacted] *spectacular* gallery [redacted] London in which [redacted] all [redacted] For nine years he has been *parading his judg*ment, [redacted] Andy [redacted] Damien Hirst, [redacted] decidedly [redacted] applause. How, we [redacted] ourselves, [redacted] persistent, [redacted] public-spirited, so, well, insensitive?

Since 1992, every [redacted] given [redacted] the [redacted] artists in his collection, this the third in the series. [redacted] again, [redacted] seems, that once one work has caught [redacted] bought the lot. [redacted] luck to him, that he [redacted] command [redacted] wants, and good *luck* [redacted] the artists and their dealers. [redacted] it *remains a disconcerting procedure.*

[redacted] may well be happy [redacted] see [redacted] work *of* [redacted] *particular artist,* [redacted] *in depth* and beautifully presented. Yet [redacted] is to it all, [redacted] so, something decidedly [redacted] and arbitrary. We miss any sense of a collector's personal engagement with [redacted] particular work, cherished for [redacted] against something else, no [redacted] sured. So it is with the three painters in [redacted] show. Individually they [redacted] their points, *for* and against. They [redacted] hang together without mutual interference, but collectively they [redacted]

The [redacted] them is Simon Callery, the only [redacted] who is [redacted] concerned with [redacted] human figure. His work is also the most [redacted] large [redacted] closely modulated [redacted] and pinks, greens [redacted] violets, with simple [redacted] motifs lightly [redacted] them in oil-pastel. Strongly horizontal in emphasis, they inevitably conjure up *landscape* by [redacted] wide [redacted] marshes, [redacted] *comfortably within* [redacted] that links early [redacted] Diebenkorn [redacted] Agnes [redacted] *and yet* [redacted] *back to* the 17th century, [redacted] Koninck [redacted]

Simon English's work [redacted] happy – his paintings of [redacted] figure, [redacted] part on a epic scale, strive for symbolic significance [redacted] properly [redacted] ing [redacted] convincing human presence. Naked, Bacon-esque [redacted] in line, [redacted] into box-like cubicles that fall away in crude perspective, all [redacted] fierce, romantic, highly theatrical chiaroscuro. [redacted] far, so good, for there is nothing wrong in the promise [redacted] some [redacted] visual drama. The problem is that the promise [redacted] all. Come closer and [redacted] find that [redacted] tech-[redacted] of [redacted] – look, [redacted] hands, no feet, [redacted] face. There [redacted] the [redacted] between something [redacted] removed by choice, and something unattempted, evaded.

The work [redacted] Jenny Saville, [redacted] by ten years the youngest of the three, is superficially [redacted] the show, [redacted] much for its energy and scale as for its quality. [redacted] very large, [redacted] ventionally so, but that [redacted] should then impose [redacted] them out-size images [redacted] the figure that are often even too big for them, is rather [redacted] expected. [redacted] images [redacted] positively outrageous – fat, bloated, [redacted] female nudes, [redacted] *and scrawled* [redacted] *slogans* [redacted] *graffiti,* gleefully flouting all normal canons of taste [redacted] decency – only *compounds the* visual shock.

But whatever their [redacted] might be, they [redacted] more interesting [redacted] their formal and practical qualities. Simply to control the paint and [redacted] tain such images [redacted] extensive surfaces [redacted] declare [redacted] painter of considerable natural ability. Certainly [redacted] deserves [redacted] only for her imagery. When the paintings, [redacted] their most grotesque, [redacted] of hand, dominated by the image, they [redacted] *successful.* [redacted] *simplest,* a nude back-view cut [redacted] head and legs, subtly *observed, delicately* [redacted] and, in certain passages, almost abstract.

It is [redacted] pity she does not show some working drawings. And [redacted] must hope [redacted] soon [redacted] the tyranny of scale and the [redacted] shock.

Young [redacted] Artists III: The Saatchi Gallery, [redacted] Boundary [redacted] until July: [redacted] Friday to Sunday, [redacted]

Concert

Verdi's Messa da Requiem

We [redacted] good, sound Verdi *Requiem* [redacted] Royal Philharmonic [redacted] on Tuesday, [redacted] enhanced by [redacted] visiting Italians, the conductor and three members [redacted] his [redacted] quartet: all young, [redacted] the [redacted] their [redacted]

[redacted] was [redacted] *Hernández, though* [redacted] *sounded hampered* by something [redacted] slight cold. [redacted] baritonal [redacted] *was satisfyingly firm* [redacted] fibrous (there [redacted] statutory requirement *for* [redacted] *grazia* in this work), [redacted] shaped his heroic rising phrases [redacted] some[redacted] confident of attaining a bright, ringing top – which [redacted] never quite [redacted] It [redacted] clouded, and [redacted] fractionally below pitch: never unpleasant, but not thrilling [redacted] forward to hearing him on a [redacted] night.

The solo bass was the 20-year-old Simone Alberghini, manifestly [redacted] well-[redacted] *and full-voiced.* [redacted] *it will* take him [redacted] yet [redacted] stamp [redacted] character [redacted] the voice [redacted] beyond [redacted] vocal surface-effects: neverthe[redacted] everything [redacted] both [redacted] and telling. The conductor Paolo Olmi, displaying the kind of deportment [redacted] stylised gestures that one associates with an older generation, took us through the [redacted] honestly, without tricks (instead of ear-shattering thwacks from the [redacted] drum in [redacted] "Dies irae", we got most [redacted] fully modulated punctuation) but with fine, unhesitating fluency.

The Brighton Festival Chorus and Lon[redacted] Choral Society were unanimous and [redacted] though their well-crunched con[redacted] were better than their dull British vowels. In this work there [redacted] really no substitute for open, Italianate vowels, though the texts [redacted] medieval *Latin. It* was [redacted] the women soloists to supply *the* [redacted] *feeling: breathless,* nervily elevated intensity from the [redacted] Fantini, *against the dark,* well-sculpted line of Luciana D'Intino's [redacted]

[redacted] should have [redacted] D'Intino in [redacted] *Troyens* [redacted] the Barbican (happy though we were with her last-minute replacement, Markella Hatziano); [redacted] in Verdi, her lively maturity [redacted] judicious poise suggested the noble [redacted] might have given us.

David Murray

INTERNATIONAL

ARTS GUIDE

Culture in crisis

So the French are no different from the rest. At first it seemed [redacted] if France [redacted] country *to remain exempt from the cuts* afflicting arts [redacted] across Europe. *The well-being of French* orchestras, theatres and festivals was a matter of national pride. Now the [redacted] begun to bite in the same way as in Germany, [redacted] Netherlands and Britain. Municipal and regional governments are suddenly tightening their belts: free-spending [redacted] organisations are being called [redacted] account.

[redacted] escaped the [redacted] being, but the provinces [redacted] begun [redacted] squeal. The Aix-en-Provence [redacted] *it will stage just* one opera [redacted] year. [redacted] abruptly [redacted] *a* [redacted] production [redacted] Salome which had [redacted] due [redacted] weekend. The [redacted] at Avignon [redacted] it [redacted] financial [redacted] One by one, [redacted] are admitting [redacted] All [redacted] reassessing [redacted] plans.

[redacted] festival, Aix [redacted] a loss [redacted] prestige. Its [redacted] reputation [redacted] opera productions it mounts [redacted] July in the open-air theatre at the Archbishop's [redacted] This [redacted] many [redacted] singers of the postwar era - from [redacted] Berganza [redacted] Tatiana Troyanos - [redacted] *a* [redacted] *public.* Traditionally, [redacted] form [redacted] mainstay [redacted] festival, alongside [redacted] choice of [redacted]

But [redacted] in the budget - compounded by the lack of private sponsorship - [redacted] forced [redacted] director, *Louis Erlo, to confine* the 1994 opera programme [redacted] eight *performances of* [redacted] *Zauberflöte,* in a staging by Robert Carsen to be conducted by William Christie.

The festival says it hopes 1994 will [redacted] a [redacted] of transition. [redacted] not just a formula [redacted] *liquidate* [redacted] *FFr11.6m (US$2m)* running deficit, [redacted] injection [redacted] new ideas [redacted]

■ EXHIBITIONS

[redacted]

Rijksmuseum Dawn of the [redacted] Age: [redacted] offering [redacted] *magnificent survey of Northern* Netherlandish Art around [redacted] 6. [redacted]

[redacted] **Rembrandthuis** The [redacted] from Life: [redacted] through the countryside of 17th century Holland. Ends [redacted] 6. Daily

[redacted] Georges [redacted] Feure [redacted] Bracquemond: retrospective of [redacted] Dutch Symbolist painter [redacted] the [redacted] 19th century French printmaker. [redacted] 13. Daily

DRESDEN

Albertinum Egyptian Antiquities: [redacted] objects from [redacted] collection, including [redacted] *sculptures, religious carvings and* everyday vessels, now [redacted] show *for* [redacted] *time since being taken* [redacted] booty [redacted] the Second [redacted] War. Ends Sep 18. [redacted] Thurs

Zwinger Schwarzburg Porcelain: [redacted] examples from [redacted] Saxon porcelain workshop [redacted] *Unterweissbach which provided* [redacted] artistic impulses during [redacted] *short lifespan from* [redacted] 1947. Ends April [redacted] Thurs

FRANKFURT

[redacted] **Kunsthalle** Archaeological [redacted] from the Romanian [redacted] a major [redacted] objects documenting [redacted] Romanian history, including weapons, jewellery, gold and silver, [redacted] *have* [redacted] Romania. Ends April 17. Georg Flegel: [redacted] works by the 17th century [redacted] painter. [redacted] Feb 13. Daily

Jahrhunderthalle [redacted] Ernst Ludwig Kirchner: [redacted] showing outside [redacted] of the complete Kirchner [redacted] from [redacted] *Museum.* Ends [redacted] Daily

[redacted] Landscape [redacted] Interior: 19th century French and German prints. Ends [redacted] Closed Mon

[redacted] **Kunst** [redacted] Kawara (b1933): seven paintings and [redacted] drawings by the Japanese conceptual [redacted] Ends May 15. [redacted] Mon

LONDON

National Gallery Claude, The Poetic Landscape: 28 paintings [redacted] over 50 drawings, *mostly from* British collections, demonstrating [redacted] Claude [redacted] as much [redacted] painter [redacted] as [redacted] of the panoramic view. Ends *April* 10. Daily

Victoria [redacted] ***Museum*** Fabergé: [redacted] than 350 [redacted] *created by the House of Fabergé* for [redacted] Tsars, [redacted] royal [redacted] of Europe and other important patrons, including bejewelled [redacted] accessories, exquisitely hand-crafted objects for [redacted] home and eight imperial [redacted] April 10. Daily

Royal Academy [redacted] Arts [redacted] of [redacted] *Ancient World:* [redacted] *masterpieces* from [redacted] George [redacted] Ends April 6. The Unknown Modigliani: [redacted] drawings [redacted] between [redacted] 1914. [redacted] April 4. Daily

[redacted] **Portrait Gallery** [redacted] and the Court of Henry VIII: [redacted] portraits [redacted] *miniatures* from [redacted] *royal* [redacted] Ends April 17. Daily

Accademia [redacted] Florence: The Age [redacted] Lorenzo the Magnificent 1449-92. Ends Feb 27. Daily

Hayward Gallery Roger Hilton: 100 works *by one of the most vital* British painters of [redacted] postwar period. Ends Feb 6. Daily

Royal Festival Hall Luis Gonzalez Palma: images and portraits of the Mayan people from Guatemala. [redacted] Feb 27. Daily

MADRID

Fundacion Juan March Goya: first opportunity in Spain [redacted] graphic output. Ends [redacted] *Daily*

[redacted] Goya: cabinet pictures, [redacted] and miniatures. [redacted] Feb [redacted]

[redacted] **Reina Sofia** Bruce Nauman. Ends [redacted] 14. Agnes Martin. Ends Feb 21. Closed Tues

MILAN

Palazzo [redacted] The [redacted] exhibition [redacted] shed *light* [redacted] a mysterious people, with new *material dating from* [redacted] centuries, on loan from [redacted] St Petersburg Hermitage and museums in Poland, [redacted] and [redacted] May 8

MUNICH

[redacted] ***Hypo-Kulturstiftung*** Pierre Bonnard: [redacted] paintings and [redacted] *sculptures* by [redacted] *who* [redacted] interiors. Ends April 24. Daily

Staatsgalerie moderner Kunst [redacted] and [redacted] Stangl Collection: 260 paintings by Klee, Beckmann, Jawlensky [redacted] other [redacted] century German artists. Ends Feb 13. Closed [redacted]

[redacted] *Sophie Taeuber-Arp* (1889-1943): retrospective [redacted] influential early [redacted] century German painter. Ends March 13. [redacted] Mon

Villa [redacted] Franz [redacted] Stuck, Painter-Prince: [redacted] works by [redacted] flamboyant [redacted] who painted Jugendstil-Symbolist portraits [redacted] woman [redacted] temptress. [redacted] Closed Mon

NEW YORK

Metropolitan Museum of Art Lucian Freud. [redacted] 13. Degas Landscapes. Ends April 3. [redacted] Century Italian Renaissance Drawings in [redacted] York Collections. [redacted] March 27. Closed Mon

[redacted] ***of Modern*** [redacted] *Feininger,* Kandinsky [redacted] prints and [redacted] produced by [redacted] Bauhaus artists, including [redacted] examples of their early work. Ends May 17. Sarah Lucas and [redacted] Pippin: sculpture, photographs and [redacted] by [redacted] British [redacted] Ends [redacted] Closed [redacted]

[redacted]

Louvre Egypt's [redacted] in Western *Art 1730-1930: paintings, furniture,* porcelain, jewellery and [redacted] works [redacted] art, [redacted] by [redacted] setting [redacted] museum's newly [redacted] Richelieu wing, illustrating how [redacted] Egypt [redacted] gripped [redacted] imagination over [redacted] April 16. Closed Tues

[redacted] **d'Orsay** [redacted] *Ends* Feb 13. [redacted] Mon, [redacted] opening Thurs

Musée d'Art Moderne [redacted] **Ville** [redacted] **Paris** Around [redacted] the three monumental versions [redacted] shown for the first time [redacted] by side, together with preparatory [redacted] *photographs. Ends* [redacted] Mon

Musée du Luxembourg The [redacted] in [redacted] Limousin Region: [redacted] examples of religious art from [redacted] Ages [redacted] century. [redacted] Royal [redacted] of Europe *from* [redacted] *17th* [redacted] Ends [redacted] 27. [redacted] Mon

ROME

[redacted] The Normans 1030-1200: a vast [redacted] examining every [redacted] aspect of [redacted] extraordinary people. Includes [redacted] of [redacted] *objects in gold,* [redacted] ivory [redacted] 140 American and European [redacted] *(250 pieces* from the Caen Museum in Normandy alone), [redacted] a reproduction of [redacted] Bayeux tapestry. [redacted] April 30

Palazzo dei [redacted] Rediscovering Pompei: [redacted] objects, many from [redacted] excavations, including [redacted] re-creation of [redacted] *entire* [redacted] *using* [redacted] and [redacted] which [redacted] one of [redacted] *grandest villas* of [redacted] Roman Empire. Ends Feb 12. Daily

STUTTGART

[redacted] **Staatsgalerie** Henri [redacted] drawings [redacted] gouaches from [redacted] 1940s [redacted] 1950s. Ends [redacted] 20. [redacted] Mon

WASHINGTON

[redacted] **Gallery** [redacted] The Age [redacted] Baroque in Portugal. Ends [redacted] Renaissance Portrait [redacted] 170 of the most beautiful and significant [redacted] from leading European centres. Ends May 1. Hans Hemling's St John [redacted] and [redacted] Veronica: [redacted] panels by [redacted] 15th century painter from *Bruges.* [redacted] *May 15. Daily*

Phillips Collection Brancusi: photographs and sculpture by the Romanian modernist whose [redacted] were [redacted] simple, highly-polished shapes. [redacted] April 17. Daily

[redacted] ***Gallery Meeting History:*** [redacted] art from [redacted] and [redacted] centuries, including paintings, silver, sculpture, manuscripts and [redacted] arts, all [redacted] from [redacted] societies [redacted] museums in the Washington area. Ends April 3. Closed Tues

A blot on its reputation

Charles Batchelor on disputes at the UK standards body

The kite-mark, symbol of [illegible] British Standards Institution since [illegible] turn of the [illegible]tury, is flying high. [illegible] on the ground all is not well.

British [illegible], a quality [illegible] which [illegible] that [illegible] management systems are judged [illegible] a worldwide [illegible] profits and turnover [illegible] soared. [illegible] just [illegible] of all [illegible] work that [illegible] into [illegible] are starting to come through. BSI's success has turned sour.

[illegible] the past [illegible] months [illegible] series of upsets [illegible] off the [illegible] the trade journals and [illegible]. The problem [illegible] partly [illegible] from [illegible] in industry [illegible] BS5750, [illegible] partly from the strains imposed by [illegible] attempt [illegible] mod[illegible] BSI's [illegible] management structures.

The [illegible] stream [illegible] bad [illegible] about BSI [illegible] fears that [illegible] image and ultimately [illegible] effectiveness [illegible]. Damage [illegible] BSI, [illegible] member companies sub[illegible] its services and help write its standards, would [illegible] ability to get [illegible] accepted internationally with [illegible] brings [illegible] UK companies.

For, in spite of Britain's manufacturing decline, BSI has [illegible] powerful position in the European and international forums where most standards-setting [illegible] occurs. Britain [illegible] just under [illegible] quarter [illegible] the [illegible] com[illegible] which [illegible] up [illegible] standards, a similar percentage to [illegible] German and French counterparts, DIN [illegible] Afnor.

And in spite [illegible] increasing competition in the traditional field of [illegible] writing [illegible] product testing, [illegible] grown rapidly [illegible] recent [illegible] of [illegible] success of BS5750. Revenues from certifying compa[illegible] and [illegible] BSI charges [illegible] ensuring [illegible] companies are sticking to [illegible] rules, [illegible] for [illegible] per cent of BSI's £78m turnover last [illegible].

The first hints of difficulty arose in June when Dr [illegible] Sanderson, [illegible] for just 18 months, stepped [illegible] what the [illegible] called "a deep disagreement on important [illegible] policy [illegible] management".

This was followed by a row [illegible]tween BSI and a committee [illegible]ich it had helped set up to review the problems small companies face in implement[illegible] BS5750. Organisations representing small companies [illegible]ve pressed BSI to simplify [illegible]. BSI withdrew funds from [illegible] put [illegible] on [illegible] finish [illegible] deliberations.

[illegible] the [illegible] time, the government announced [illegible] review [illegible] continue to receive a subsidy for its standards-writing work. Standards-writing is not lucrative but BSI's other activities – certifying companies to BS5750 [illegible] monitoring them – [illegible] become increasingly profitable in [illegible] a profit of [illegible] in [illegible] received a grant of £4.5m.

BSI's problems reached their climax in November when its members delivered a humiliating snub to Mr Vivian Thomas, BSI chairman, and his board. The [illegible] turned down plans to strengthen the powers of the directors and to double directors' fees to £15,000 a year, [illegible] chairman's [illegible] £25,000.

As a result of this setback the board has been forced to delay all its proposed changes and is now holding meetings with members to improve relations. But in spite [illegible] what some members des[illegible] encouraging discus[illegible] in recent weeks members remain wary. There is no guarantee that Mr Thomas's proposals will be acceptable if they are put to members again at a resumed annual meeting on March 8.

Mr Thomas, a pugnacious former chief executive of BP Oil, is at the centre of the present storm. Brought in as chairman two years ago, he was pushed centre stage by the sudden departure of Dr Sanderson. Instead of immediately seeking to appoint a new chief executive Mr Thomas created a small executive board to run BSI and has since devoted himself practically full-time to pushing through change.

"It would [illegible] find a [illegible]tive," [illegible]. "We couldn't wait [illegible] long. [illegible] return [illegible] clubby [illegible]sphere of the past."

Mr Thomas believes that a [illegible] reorganisation [illegible] BSI is [illegible] to [illegible] it a more professional management suited to a business which this year expects to achieve turn[illegible] of nearly £100m. "You can't run a business this size like a co-operative," he says.

Mr [illegible] wasted [illegible] time, computerising many procedures, cutting out layers of committees and shedding jobs.

But the pace of change wor[illegible] some of [illegible] members. There are no signs, as yet, that the [illegible] members [illegible] coming round to [illegible] point of view. If anything, attitudes are hardening. The Federation of Environmental Trade Associations has threatened to bypass BSI and to send [illegible] European and international [illegible] which are writing a growing number of standards.

The [illegible] and Metal Trades [illegible] may withdraw [illegible] members from BSI's standards-writing [illegible]. "The directors [illegible] expect to [illegible] BSI's commercial activities [illegible] expecting [illegible] to provide their services [illegible] free," [illegible] Carruthers, confederation director-general.

This feeling that the present [illegible] is tinkering with [illegible] system [illegible] of time is widespread. Mr Gordon Gaddes, director-general of Beama, [illegible] British [illegible] facturers' Association, is [illegible] that the abolition of [illegible] as [illegible] policy [illegible] democratic control [illegible] the [illegible] of the [illegible] vacuum," [illegible].

So [illegible] BSI [illegible] Mr [illegible] resigned [illegible] the government grant [illegible] and turned [illegible] a [illegible] with payments [illegible] the provision [illegible] specific [illegible]vices. This would allow [illegible] government [illegible] judge [illegible] accurately [illegible] value for [illegible].

[illegible] looking for [illegible] executive. [illegible] hopes [illegible] filled by April. Mr [illegible] then [illegible] his original role of part-time [illegible].

Mr [illegible] acknowledges failings in [illegible] approach. "I have been in [illegible] much [illegible] hurry and [illegible]nicated externally [illegible] much [illegible] should." However, he remains [illegible] the [illegible] change. For all the criticism [illegible] one [illegible] it [illegible] writing good standards or [illegible] not delivering [illegible] for money, [illegible].

But [illegible] gulf between Mr Thomas [illegible] remains a large one. So fundamental are the [illegible] that it is by no [illegible] that they can [illegible] bridged by [illegible] time of the resumed annual meeting in March.

Joe Rogaly

Once more, with feeling

Political dis[illegible] entraps [illegible] soul, or it is nothing. Nothing-politics conveys no ethical [illegible] and [illegible] human meaning. Yet this [illegible] what is on offer from growing [illegible] of parties in [illegible] west. Markets, privatisation, [illegible] cult [illegible] individual [illegible] all [illegible] ideas, [illegible] without a moral foundation all are empty. [illegible] conse[illegible] death [illegible] socialism. It [illegible] fruit[illegible] to propound Marxist theory, [illegible] pointless [illegible] it. In many countries the passion [illegible] been [illegible] out [illegible] process of choosing and dismissing governments. [illegible] representatives who formerly sought [illegible] improve the [illegible] who [illegible] them [illegible] seekers after office. Voters are turning [illegible].

In Italy the [illegible] parties have dissolved themselves into fresh alliances, [illegible] names and [illegible]. Former [illegible] may [illegible] coalition to victory, but it is a market economy they will manage. If the electorate's blood is up it is [illegible] it demands a change to [illegible] politics, [illegible] for [illegible] old left-right [illegible]. In Canada the Conservative party has been all but [illegible]. [illegible]mans are said to be once again toying with [illegible] notion of [illegible] grand [illegible] of Christian and [illegible] with lib[illegible] and [illegible]. At [illegible] presidential [illegible] Mr [illegible] Perot [illegible] away [illegible] both [illegible] the Republican parties. In [illegible] disillusionment with mainstream politicians is palpable.

One reason for the general cooling of politics [illegible] the old questions about [illegible] deprivation [illegible] avoided, as if out of embarrassment. The 1994 edition of Britain's statistical annual Social Trends, published yesterday, indicates that since 1979 the Tories have steadily mulcted the very poor. As we all know, the rich have become far richer. There were no protest marches, no riots in the streets, not even a measly squeak from the leader of the Labour party when he questioned the prime minister about other matters. On Wednesday, President Bill Clinton delivered a State of the Union message in which he offered a hand up, but not a permanent hand-out, to America's poor. Social-Democratic predecessors, like President Lyndon Johnson and his vice-president [illegible] Humphrey, [illegible] have turned in their graves.

This is not to [illegible] that the [illegible] Society" solution to poverty, [illegible]hich was to spend more money on it, necessarily works, or is [illegible] dependency. In some circumstances [illegible] may be, in others not. The argument will continue. [illegible] point about the nothing-politics of today is that it feels vacuous because social justice is no longer a gut issue. Few democratic politicians admit to a burning desire to take the "underclass" off the pavements, out of tenements and into jobs and decent houses. What we have instead is dainty deliberation by fat pragmatists who believe that to get elected they must show a willingness to reduce spending on welfare.

Something else will surely inflame us in the 21st century. One possibility is that it will be a debate, infused with real feeling, about the limits to economic growth. The world's population is expected to rise from 5.8m in 1990 to 8.5bn in 2025. The rate of increase of emissions of CO_2, the most enduring greenhouse gas, is about 3 per cent a year, a figure less likely to be decreased by the resolutions taken at the 1992 Rio conference than increased by the rapid enrichment of China. The danger to the planet has not receded; only the political response is, temporarily, in abeyance.

> **Tribalism – sorry, 'identity politics' – is weakened if humans everywhere become more like one another**

We might also be in for another resurgence of dangerous tribalism. This observation is supported by a pamphlet from Demos*, an independent think-tank. Its author, Mr Vincent Cable, is director of the international economics programme [illegible] the Royal Institute for International [illegible]. He developed the ideas in his paper as a member of group [illegible]lanning at Shell. We [illegible] imagine them brainstorming about global scenarios.

There is little that is brand new in Mr Cable's essay. Protecting our tribe and attacking the others has been a practice for shall we say, most of the last 2,000+ years. He does, however, offer a stimulating account of the rise in parties concerned with what he calls "identity politics". At its best this produces "cultural conservatism", by which the author means the combination of a belief in the market economy with either a strong religious, moralistic fervour, as in "born again" Christians in the US, or an exclusive, nationalistic approach to capitalism, as in Japan. At its worst it produces Russia's rabidly nationalist Zhirinovsky.

Manifestations of identity politics listed by Mr Cable include the rise of the Republicans in Germany and the National Front in France, the preoccupations with Ulster and the Maastricht treaty in Britain, and the emergence of a strong Hindu nationalist party, the BJP, in India. The tragedy of the former Yugoslavia and the fragility of the new east European democracies may also be called in evidence. Again, it could be that extreme racist and nationalist parties in Germany, France, Italy and Belgium will do well in this year's elections to the European parliament.

Set against tribalism is pure liberalism, which takes no account of class, race, national origin or, saving the rule of law, any other impediment to the freedom of the individual. Liberalism is strengthened by the globalisation of markets; tribalism – sorry, "identity politics" – is weakened if humans everywhere become more like one another.

Contemporary arguments fall on either side of this line. Take, as one example "family values". Libertarians stick by personal choice, Mr [illegible] points out. Their opponents insist that family and personal relationships reflect the [illegible]plines of "culture, [illegible] and faith". This leads democratic politicians into [illegible] murky waters.

The conclusion is that people concerned with politics must learn "how to satisfy people's yearning for a sense of belonging and identity without unleashing destructive political forces". Mr Cable has a point. Liberalism is the way, but it requires enhancement. We must [illegible] some blood back into politics, or blood will flow.

The World's New Fissures: [illegible] in Crisis. £5.95 from Demos, 9 Bridewell Place, London EC4V 6AP

LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL

Fax 071 873 5938. Letters transmitted should be clearly typed and not hand written. Please set fax for finest resolution

Keeping an eye on banks

From Mr Michael Chamberlain.

Sir, I wish I shared the confi[illegible] of Mr [illegible] George, gov[illegible] of the Bank of England. [illegible] banks [illegible] committed [illegible] providing finance to small businesses ("George calls for [illegible] in recriminations", January 18). Chartered accountants around the UK report [illegible] their clients are still experiencing significant problems with banks. [illegible] today are too often unable to obtain finance [illegible] anything like [illegible]sonable [illegible]. Just as worrying are reports of banks offering finance only if clients accept unwanted and/or unduly expensive [illegible] products [illegible] part [illegible] financing package.

The governor is right that very many [illegible] businesses lack financial and management skills. [illegible] advice, whether from Training and Enterprise Councils, [illegible] Links [illegible] chartered accountants, is generally a crucial element in the success or failure of small businesses. I also welcome the emphasis on the need for banks to ensure that lending staff are properly trained. I hope the shift towards specialist [illegible] centres in banks does not mitigate against small companies.

The Bank of England report places small business finance [illegible] the public agenda. But translating that into a new era of understanding and support from bank managers requires action on the ground. My members and their clients will no doubt be watching closely.

Michael Chamberlain,
president,
Institute of Chartered [illegible] in England and Wales,
Chartered Accountants Hall,
Moorgate Place,
London EC2P 2BJ

A proposal too far for directors

From Mr S G Kay.

Sir, I read with interest the proposals concealed within the [illegible] "Risks for [illegible] grow", [illegible] (Survey on International Legal Services, January 25), [illegible] go [illegible] than [illegible] Cadbury report.

As a practising and, I hope, professional chief executive, I am increasingly concerned at the range and number of bodies and committees giving [illegible] advice to me. There will be so many checks and balances that there will be no room for progress.

In particular, I do not agree with Mr Maw that a remuneration committee should be wholly non-executive. I am in the best position to know the detail of my subordinates' performance and I wish to have a direct say in their salary and other rewards. The Cadbury recommendation for a remuneration committee to be "wholly or mainly" non-executive provides for me to be a member of that [illegible].

Inveresk supports both the spirit and the [illegible] of Cadbury, but not further.

Has Mr Maw, I wonder, experienced the pressures of the real commercial world?

S G Kay,
managing director,
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South Pitreavie Business Park,
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Unrecognised benefits of road transport

From Mr Mike Hollingsworth.

Sir, [illegible]nomic reasons why consumers need to be given consistent and accurate information if they are to make efficient choices about transport ("Fading blueprint of a greener world", January 26). Unfortunately, the chapter of Professor Pearce's book, *Measuring Sustainable Development*, which deals with transport makes two fundamental errors. These invalidate his conclusions that road transport fails to pay for its full costs.

First, government tax revenues from road transport were £23bn last year, not the £14.7bn which he cites. It is true that many motoring taxes are in forms which do not help motorists' understanding of transport costs since they do not in many cases relate to usage. A motoring tax system based on use rather than ownership and purchase of vehicles would improve economic and environmental efficiency. The total tax-take is already sufficient to meet the full costs but a reform of the tax structure should relate tax more closely to usage.

Second, Professor Pearce includes congestion costs as an external cost of the road transport system. This is not the case. While it is true that congestion costs are highly wasteful and should be reduced, they are inflicted by motorists on one another not on non-road users. Congestion costs are therefore internal costs which have already been paid for by road users in lost time and extra fuel used. To require motorists to pay these charges again would amount to massive double counting.

If these factors are taken into account then, using Professor Pearce's figures, road taxes exceed road costs by £6bn. Motoring costs are not twice the amount "fetched by road taxes". There is, in fact, no objective basis for any increase in the overall taxation level from road use though the structure of existing taxes and other motoring costs could be improved significantly.

It is also the case that fewer people are killed and injured on Britain's roads than previously, though still not few enough. Air pollution from vehicles is declining rapidly as new cars are fitted with catalysts and vehicles are becoming quieter. Most of the social costs associated with road transport are in fact falling.

Mike Hollingsworth,
chief economist,
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From Mr Paul Everitt.

Sir, The assertion that road users do not pay enough for the use of Britain's road network [illegible] undermined by a num[illegible] significant omissions ("Fading blueprint of a greener world"). Not only does it underestimate the existing tax burden by some £7bn, but completely ignores the existence of significant benefits that accrue from road use.

Surely we [illegible] look [illegible] the value of having more than [illegible] people employed in [illegible] transport sector, [illegible] increased leisure and work opportunities that road use allows Britain's citizens. How much value do we place on the availability of fresh produce and product choice in our shops at prices that can be afforded.

Increasing the cost of road use will have a direct impact on the cost of living of individuals and the profitability of British industry. Road pricing will have much wider social and economic impacts than is recognised by Professor Pearce and a balance sheet that ignores them represents an incomplete analysis.

Paul Everitt,
assistant director,
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Waste management should also mean producing less rubbish

From [illegible] Georgina Watkins-Spies.

Sir, Two articles [illegible] management on one day ("Recycling has neighbours crying foul" and "[illegible] not wanted", January 25), [illegible] not the smallest mention of [illegible] crux [illegible] the problem: the need [illegible] produce [illegible] rubbish. The impact on other countries' waste disposal markets of Germany's efficiency at collection should at last induce Europe's legislators to force manufacturers to use less packaging – or at least more of the re-usable kind.

[illegible] Germany, [illegible] people cart crates of glass bottles full of mineral water, fruit juice, beer etc back and forth to the supermarket as a matter of course, but dairy products, for example, are rarely obtainable in anything but plastic – though milk is available in bottles here for the more conscientious. The mere [illegible] of [illegible] millions of [illegible] plastic yoghurt pots alone discarded every day enrages me.

Georgina Watkins-Spies,
Schrötteringksweg 5,
22085 Hamburg,
Germany

Advertising proposals resisted

From Mr Lionel Stanbrook.

Sir, Your report "Cash with order adverts reprieved" (January 22) correctly draws attention to the compromise text on distance selling proposed by the [illegible] presidency [illegible] the Council [illegible] Ministers. However, the UK's marketing [illegible] should not assume [illegible] reprieve [illegible] permanent. The Commission's [illegible] draft [illegible] table – [illegible] visions on [illegible] with order, telephone selling, [illegible] requirements [illegible] inclusion of the financial services [illegible] tourism [illegible].

While [illegible] Greek [illegible] does reflect some of the discussions [illegible] governments, [illegible] Commission's text in the main may still [illegible] approved by [illegible] European parliament, and still represents a position generally supported by many of the EU member states. Thankfully, the UK is not one of these. The UK Advertising Association and its [illegible] will continue [illegible] defend the UK's effective consumer guarantees in [illegible] of inappropriate and unwieldy EC legislative proposals.

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Openness on open markets

Monopolies thrive [redacted] One [redacted] the [redacted] combatting them [redacted] to [redacted] the full glare of public scrutiny. In the US, they call [redacted] regulation". But [redacted] competition authorities [redacted] practice [redacted] shine regulation. They prefer to conduct their investigations [redacted] closed [redacted].

Britain's Monopolies and Mergers Commission [redacted] perhaps not the main culprit. [redacted] independence [redacted] government [redacted] publishing detailed reports setting out [redacted] conclusions of [redacted] inquiries certainly compare favourably with the European [redacted].

The [redacted] European [redacted] approach [redacted] amply demonstrated [redacted] this [redacted] when the full Commission failed to [redacted] proposal by Mr Karel Van Miert, [redacted] competition commissioner, to block a three-way [redacted] tube [redacted] grounds that [redacted] was anti-competitive. Not [redacted] time, political [redacted] ations overruled [redacted] inter- [redacted] The case [redacted] an independent European [redacted] now [redacted].

But independence [redacted] guarantee [redacted] For example, it has [redacted] prevented the Commission from [redacted] black box. Until an investigation [redacted] completed and [redacted] published, the [redacted] operates [redacted] system of strict purdah. This [redacted] a monopolist [redacted] put a [redacted] on [redacted] while other [redacted] parties, which might be [redacted] to rebut [redacted] position, [redacted] kept in the [redacted]k.

Mr Graeme Odgers, the MMC chairman, yesterday acknowledged the importance of regulatory openness. That is also one of the conclusions [redacted] an unpublished review of the Commission by Department of [redacted] Industry consultants.

But, beyond releasing a new video, which explains [redacted] MMC's workings by taking viewers through [redacted] mock investigation, Mr Odgers had little [redacted] offer by [redacted] of remedy. In particular, he rejected the idea of holding open hearings [redacted] publishing [redacted] Com- [redacted] preliminary findings.

[redacted] pity. A video [redacted] mock investigation is no substitute [redacted] public hearings. Nor [redacted] publi- [redacted] a [redacted] final report [redacted] substitute for public access to [redacted] Commission's preliminary findings. [redacted] the final report [redacted] published, [redacted] is [redacted] late [redacted] the [redacted] of interested parties [redacted] have [redacted].

[redacted] Odgers [redacted] Commission's behind-closed-doors approach [redacted] the grounds that much [redacted] the information [redacted] in its investigations [redacted] commercially confidential. Confidentiality is certainly an issue. But it is not [redacted] why it [redacted] protected by holding [redacted] hearings in private instead [redacted] having a blan- [redacted] *in camera* approach.

Nor is Mr Odgers' argument [redacted] public hearings would [redacted] participants [redacted] gallery compelling. It assumes [redacted] public [redacted] view [redacted] what is in [redacted] The [redacted] motto should be [redacted] and [redacted] sunshine.

Southern front

[redacted] Europeans talk about security in [redacted] post-cold [redacted] world, they often find they are not talking [redacted] same thing. [redacted] stability [redacted] its central European neighbours; Britain worries about the health [redacted] the [redacted] alliance; [redacted] worry [redacted] their Arab neighbours, [redacted] cially Algeria. All [redacted] worries [redacted] legitimate, [redacted] should [redacted] by [redacted] common foreign and security policy. The last, especially, should [redacted] taken more seriously in northern Europe than it has been so far.

Two years [redacted] Algerian army intervened to forestall the election victory [redacted] the [redacted] Sal- [redacted] Front (FIS). [redacted] proposed [redacted] smash the violent hard core of the opposition while introducing [redacted] nomic [redacted] hope to [redacted] joined it [redacted] despair. That strategy has [redacted] In [redacted] the economic [redacted] it has not even [redacted] tried. The bold [redacted] launched between 1989 [redacted] 1991 have [redacted] reversed, making impossible [redacted] with [redacted] IMF [redacted] Algeria's [redacted] on [redacted] country's $25bn foreign debt, which will [redacted] 100 per [redacted] its export revenue this [redacted].

Politically, [redacted] militants denied power through [redacted] ballot box [redacted]ave turned [redacted] violence. Repression, accompanied by [redacted] rights violations, has fur- [redacted] radicalised the opposition, and even [redacted] parties boycotted the "national [redacted] conference" held by the regime this week, [redacted] the [redacted] the FIS deprived [redacted] credibility. The country [redacted] sliding [redacted] civil [redacted].

These developments [redacted] Europe [redacted] several levels. [redacted] invariably produces large flows [redacted] refugees, many [redacted] whom in this case would [redacted] bound [redacted] cross the Mediterranean. [redacted] arrival [redacted] tensions. [redacted] war could spread [redacted] north [redacted] communities in Europe. [redacted] militants, [redacted] they lose, might [redacted] terrorism not only against Europeans in Algeria but against [redacted] in Europe [redacted] If they win [redacted] long [redacted] bitter struggle, Europe would face [redacted] prickly and hostile neighbour within [redacted] missile [redacted] Either [redacted] Algeria racked by civil war [redacted] deprived of much [redacted] its westernised middle class would [redacted] foreign investment and would [redacted] likely [redacted] stagnate [redacted] nomically. Europe [redacted] and more [redacted] people on [redacted] very doorstep.

Only [redacted] genuine dialogue [redacted] the army and [redacted] FIS [redacted] any hope of [redacted] peaceful solution. [redacted] EU should [redacted] good [redacted] help bring [redacted] about. By promising economic aid and increased market access for a peaceful, democratic Algeria, it [redacted] an incentive [redacted] negotiate, and [redacted] in the country [redacted] fear that an Islamic victory would [redacted] Europe and [redacted] suppression [redacted] human rights. Continued support for the [redacted] quo [redacted] only [redacted] up [redacted] trouble for [redacted] future.

Public business

Inadequate financial controls, [redacted] comply with rules, [redacted] management of projects and an [redacted] of [redacted] account-ability. These [redacted] damaging [redacted] if [redacted] about [redacted] conduct of [redacted] in [redacted] private sec- [redacted] When [redacted] UK public service, they [redacted] devastating.

[redacted] these [redacted] – and many [redacted] – were [redacted] yesterday by [redacted] Accounts [redacted] a report on the [redacted] of organisations [redacted] consume public funds. The report [redacted] 17 [redacted] over [redacted] past [redacted] years into [redacted] in [redacted] stewardship of public money. [redacted] range from the provision [redacted] official cars [redacted] executives without requiring them [redacted] private motoring [redacted] of [redacted] on [redacted] computer project [redacted] regional health authority.

[redacted] on [redacted] management changes in the public services introduced by the present [redacted] ment. [redacted] of the [redacted] of delivering public services has been handed over [redacted] executive agencies and [redacted] White- [redacted] control. Private [redacted] have [redacted] brought [redacted] large parts [redacted] the [redacted] of [redacted] health service, central government [redacted] local authorities. Public sector [redacted] encouraged [redacted] break [redacted] from bureaucratic administration and [redacted] their services [redacted] entrepreneurially.

[redacted] moving [redacted] from top-down administration, such [redacted] open [redacted] opportunities [redacted] weakening control over public money. The [redacted] equity and probity required in handling taxpayers' [redacted] can [redacted] easily forgotten – especially when managers are brought in from outside the public service. [redacted] interest, inadequate oversight and ineffective monitoring [redacted] all [redacted] when bureaucracy is swept [redacted].

[redacted] none of [redacted] is inevitable with public service reform, [redacted] committee's report notes. The [redacted] successful [redacted] ples of public sector reform dem- [redacted] that traditional standards of public business do not need to [redacted] efficiency and effectiveness. According [redacted] report, no [redacted] rules are [redacted] the problems [redacted] when existing rules [redacted].

Such [redacted] likely when management change is driven through with excessive haste. [redacted] neglect [redacted] controls [redacted] ity. And it [redacted] responsibility into [redacted] of [redacted] not acquired the [redacted] financial training and experience. A [redacted] approach [redacted] in the [redacted] achieve [redacted] results and [redacted] discrediting reform.

[redacted] importance of scrutiny and oversight is also a clear message of the report. The Public [redacted] writ [redacted] largely depend on public money for their income, including the growing numbers of [redacted] much of the responsibility for spending public money.

Judy Dempsey looks at popular pressure for politicians to find solutions to east German unemployment

No work, little to believe in

Mrs Eva Maria Geer no longer believes the politicians in Bonn. "Why [redacted] I? They [redacted] all these promises about rapid prosperity in [redacted] Germany," she said, holding [redacted] youngest daughter. "From my experience, when people [redacted] becoming competitive, it means cutting jobs. [redacted] it all the [redacted] depressing for my chances of re-entering the labour market."

[redacted] many of her friends, Mrs Geer used to work in the local shipyards in [redacted] German city [redacted] Rostock. Before reunification in [redacted] the yards employed [redacted] than [redacted] people. Today, fewer than [redacted] work [redacted] docks. [redacted] pregnant. Her husband fell ill. At [redacted] her maternity leave, she received a let- [redacted] stating her job [redacted] longer available.

[redacted] the 30-point economic plan unveiled by the government last week [redacted] rhetoric. [redacted] increasing workplace flexibility and improving competitiveness, it is regarded by many of east Germany's unemployed as irrele- [redacted] The plan [redacted] help for start-up companies [redacted] the form [redacted] low-interest loans, encouragement for [redacted] long-term unemployed [redacted] low-paid work [redacted] promo- [redacted] part-time employment [redacted] private sectors.

But such proposals only induce scepticism among voters. As the campaigning gets [redacted] for a [redacted] round of local [redacted] election in March, [redacted] plight of east Germany's 1.17m unemployed and [redacted] the [redacted] German tax- [redacted] starting [redacted] dominate the political debate.

[redacted] finding it an uphill struggle to convince [redacted] the labour market will improve, [redacted] though their [redacted] omy is forecast to grow by about 6 [redacted] cent this [redacted].

Apart [redacted] unemploy- [redacted] there is an [redacted] problem: nearly 2m east Ger- [redacted] as working but [redacted] on short-time, re-training, or job-creation schemes. [redacted] combined cost [redacted] government [redacted] German unemployment bene- [redacted] plus funding [redacted] schemes, was more than [redacted] (£17.1bn) [redacted] year.

Unemployment in [redacted] Germany [redacted] exacerbated by several fac- [redacted] First [redacted] the unre- [redacted] agreement by IG Metall, [redacted] engineering union, and [redacted] German employers [redacted] equalise [redacted] ern and [redacted] by 1996 despite eastern productivity [redacted] running at about 50 per cent [redacted] the [redacted] Second, [redacted] rush [redacted] privatisation has [redacted] the closure of many enterprises in [redacted] Germany.

[redacted] Rainer Schöndube, [redacted] Germanischer Lloyd, the Hamburg-based [redacted] insurance [redacted] which [redacted] counterpart in 1990, said: "Wage [redacted] the main [redacted] buting factor [redacted] unemployment." [redacted] Mr Schöndube believes it would [redacted] been more socially acceptable [redacted] government [redacted] subsidise [redacted] jobs temporarily than [redacted] support large numbers of unemployed in [redacted] Germany.

"We have heard all [redacted] arguments [redacted] over-employment [redacted] German enterprises, [redacted] is [redacted] for political stability and for the morale of the people, [redacted] been [redacted] to [redacted] jobs [redacted] unemployment," [redacted]

Amid [redacted] disillusionment [redacted] broken promises [redacted] how reunification would improve living standards [redacted] Germany – and, in Chancellor Helmut Kohl's memorable words, [redacted] "a blossoming landscape" – there is no shortage of east [redacted] willing to go to [redacted] find work.

[redacted] is one [redacted] 360,000 [redacted] work in [redacted] Germany. For the past [redacted] years, [redacted] Sunday evening made the two-and-a-half-hour train journey [redacted] Hamburg. During [redacted] week, [redacted] works at Germanischer Lloyd, [redacted] tall building [redacted] looking [redacted].

"I'm [redacted] the lucky [redacted], especially at my age. I am 51. I have had the chance to retrain and have a permanent job. [redacted] I would prefer [redacted] spend time with my family in Rostock. But I have to make compromises," [redacted]

Across Hamburg, in the north-east of the city, [redacted] Versand, the giant [redacted] business which [redacted] year had a consolidated turnover [redacted] DM21.2bn [redacted] employs [redacted] expand. Despite Hamburg's unemployment [redacted] 9.2 per cent, the management [redacted] find [redacted] staff [redacted] packaging department.

"They are [redacted] qualified, or [redacted] they do not want to do this kind of work," explained [redacted] Detlev Livonius, head [redacted] public [redacted].

Instead, [redacted] employs [redacted] than 500 [redacted] from the north-eastern [redacted] of Mecklenberg-Vorpommern, part of [redacted] former [redacted] Germany. "[redacted] day, [redacted] buses [redacted] collect [redacted] Over [redacted] women. They work in [redacted] evening [redacted] which [redacted] 5pm. And [redacted] bring them [redacted] home [redacted] 11pm."

Mr Livonius said Otto Versand [redacted] reaping no benefit on labour costs. "We pay [redacted] from [redacted] Germany [redacted] here [redacted] Hamburg. [redacted] everything else. [redacted] big differ- [redacted] people [redacted] highly [redacted] and [redacted] They work really hard." The [redacted] travel [redacted] of 100 [redacted] day.

On the other [redacted] Germany, 21-year-old [redacted] from [redacted] living in [redacted] studying [redacted] a midwife last year. But there were no jobs in Rostock, her home town. "The birth rate is plummeting in eastern Germany. Jobs in hospitals and private practices are at a premium. So last year I applied for a place near Coblenz. I got it. But I miss my friends. I hope to return to Rostock, if and when the [redacted] picks up," she said.

[redacted] a month [redacted] returns home to the east. "There is [redacted] point in complaining. There's no point in waiting for a job to turn up at home," [redacted]

[redacted] is one [redacted] the lucky ones. As unemployment rises in west Germany, the numbers commuting from the east are falling. In 1991, more than half a million east Germans [redacted] to [redacted] Germany, or to west Berlin, on a daily [redacted] weekly [redacted] official figures show unemployment has stopped rising in [redacted] Germany [redacted] maybe some commuters have [redacted] at home." [redacted] Nassauer, [redacted] official [redacted] federal employment office. In [redacted] the unemployment rate in [redacted] Germany topped 17 [redacted] cent. [redacted] year, [redacted] dipped [redacted] 15 per cent.

"But you have to look at [redacted] reality behind [redacted] official statistics," [redacted] added. "What [redacted] happening [redacted] people, many women, for example, have dropped off the unemployment register and [redacted] only receive welfare. In addition, job-creation schemes [redacted] being [redacted] because there's no money. So these people, [redacted] are in fact jobless, do not show up [redacted] the unemployment figures. Its pretty dismal."

Neither Ms Nassbauer, nor her colleagues in the employment [redacted] in Hamburg or Rostock, can decide [redacted] unemployment benefits [redacted] so high [redacted] they act as [redacted] disincentive for people [redacted] work. Although wages [redacted] the [redacted] are only about [redacted] cent [redacted] of west Germany, [redacted] calculated on the same [redacted] and [redacted] monthly salary. For those [redacted] short-time work, [redacted] outlook is better: they receive federal short-time pay (*equal* [redacted] *unemployment benefits*) but remain [redacted] company's books and can be called [redacted] work.

"To tell you honestly, I had enough money to live on when I was put on short-time work," [redacted] Berliner, [redacted] Richter, [redacted] 33-year-old languages graduate and mother of three, who works as a personal [redacted].

"From late [redacted] until April 1992, I [redacted] DM1,400 [redacted] month, [redacted] 90 per [redacted] of my [redacted] (net) salary. But [redacted] was hardly any work to do. [redacted] call it null, or zero work. I [redacted] redundant, so for [redacted] while I received 72 per cent of [redacted] salary. Later I received unemploy- [redacted] money, which [redacted] per [redacted] my last salary. But I had to get a job [redacted] I [redacted] going crazy."

For the unemployed in Rostock, the [redacted] in Hamburg and [redacted] re-employed [redacted] Berlin, reunification [redacted] brought differing experiences. [redacted] they [redacted] all united on one thing: the need [redacted] Germany working is paramount. It [redacted] not enough [redacted] receive [redacted] money [redacted] remain at home, when factories [redacted] closing daily and [redacted] German tax- [redacted] about [redacted] subsidies [redacted] east.

"The politicians keep telling us [redacted] how much they [redacted] spending on the unemployed in the east," [redacted] Mrs Geer. "But don't they [redacted] that paying [redacted] stay [redacted] compensate for our sudden [redacted] of dignity and status. If any party can come up with a plan to [redacted] jobs, I'll give it my vote."

East German unemployment: uphill struggle

Population: 16m *Labour force: 7.2m*	1993 Number of people	1993 Cost (DM)	1992 Number of people	1992 Cost (DM)
Unemployed	1.148m	10.5bn	1.17m	11.8bn
Job creation schemes	240,714	10.8bn	300,000	10.7bn
Short-time work	135,000	1.3bn	250,000	[redacted]
Retraining	392,000	12.5bn	460,000	12.1bn
Early retirement	[redacted]	18.4bn	811,000	14.4bn
Retraining for early retirees	15,000	782.5m	[redacted]	[redacted]
Retired	8,900	[redacted]	3,000	[redacted]
[redacted] welfare for long-term unemployed from 1992	7,000	100m	[redacted]	85.4m
Total number unemployed and in other categories	3.63m		4.20m	
Unemployment rate (%)* Excluding all above categories	16		15.4	
Total cost		54.7bn		51.8bn

* As % of labour force in east Germany

Princess Anne tells Michael Cassell why giving is important

Courting corporations

The [redacted] Royal readily [redacted] it [redacted] press [redacted] [redacted] to [redacted] 75th anniversary of [redacted] of her favourite charities. The task [redacted] when, on [redacted] world, [redacted] chooses the same morning to take [redacted] pot-shot [redacted] her [redacted] brother.

[redacted] has already been [redacted] Prince Charles [redacted] unharmed and, [redacted] her security [redacted] in the [redacted] about the drama "down under", [redacted] deftly [redacted] questions on personal safety.

[redacted] as usual [redacted] Church House, Westminster, where she has [redacted] to mark the [redacted] celebrations for Save the Children, the [redacted] charity [redacted] which she [redacted] been president for nearly [redacted] years. [redacted] organisation fights not only for [redacted] rights [redacted] from Bangla- [redacted] to Belfast but [redacted] for badly [redacted] funds in the increasingly competitive marketplace for [redacted].

It is "entirely feasible", [redacted] says, that there [redacted] too [redacted] charities tugging at people's pockets, though [redacted] which [redacted] around [redacted] hardly [redacted] of jumping in on the [redacted].

"The British in particular are ferociously [redacted] about [redacted] way they approach problems. There is always an inclination [redacted] set up another fund. As [redacted] is, there is enough money [redacted] up and untouchable in [redacted] trusts, [redacted] mind [redacted] new [redacted] appearing [redacted] time."

The princess scoffs [redacted] this [redacted] findings by an [redacted] study suggesting [redacted] proportion [redacted] giving [redacted] charity [redacted] among [redacted] highest [redacted] country but that [redacted] individual [redacted] stingy.

"The Spanish [redacted] as [redacted] biggest contributors but [redacted] of their lottery, a fairly dubious def- [redacted] giving."

[redacted] isn't it [redacted] organisation which last year stretched its £100m aid budget [redacted] 50 countries [redacted] to [redacted] of it for the UK? "In any kind of welfare system [redacted] still going to [redacted] You have to draw boundaries around [redacted] help; there are problems enough already.

"There will always [redacted] of our community more at risk than others and [redacted] help. [redacted] gypsies and the families of prisoners." [redacted] any progress really been made, or [redacted] world [redacted] from one [redacted] the next, learning nothing. "There [redacted] been big, incremental improvements. The point of the [redacted] is that, when [redacted] workers [redacted] people have acquired the skills [redacted] themselves. [redacted] helping people [redacted] help themselves is [redacted] hard work."

[redacted] quality [redacted] help, [redacted] insists, is now high: "Today, [redacted] not careful, standards [redacted] are higher [redacted] in surrounding [redacted] cause [redacted] problems."

In recognising the uphill struggle [redacted] companies [redacted] to play their part in "championing children" around [redacted] world, she [redacted] Eglantyne Jebb, [redacted] forgot- [redacted] of Save [redacted] Children: "The [redacted] is [redacted] but unimaginative and very busy."

The princess [redacted] an "unsung heroine" [redacted] the plight of children laid the foun- [redacted] for the UN [redacted] on [redacted] Rights [redacted] the [redacted] She [redacted] woman [redacted] place in [redacted] hall [redacted] fame alongside names [redacted] Florence Nightingale and Elizabeth Fry. The princess's four-year-old English bull terrier is even named Eglantyne.

The Queen's daughter is [redacted] being portrayed [redacted] ice cool, who [redacted] her [redacted] for disadvantaged chil- [redacted] but who [redacted] child-hugging, motherly type. [redacted] responds with characteristic directness: "I don't believe holding children is going [redacted] make [redacted] their long-term happiness. [redacted] didn't make [redacted] of [redacted] either."

[redacted] not [redacted], however, [redacted] embracing a [redacted] more big British companies [redacted] help [redacted] organi- [redacted] work. Its corporate membership scheme, under which big players undertake [redacted] still has [redacted] to join the likes of Tesco, British Airways [redacted] Unilever.

[redacted] be a big [redacted] but as the princess points out, "some [redacted] have found it [redacted] useful [redacted] in resisting [redacted] countless [redacted] which pour in asking for help". But she says it is as much [redacted] contributing ideas and making time and there can be big commercial [redacted] given an [redacted] charity strategy.

So what would the old [redacted] paigner think of Save [redacted] Children 65 [redacted] after her death and of [redacted] job left [redacted] "I expect she would have [redacted] even more [redacted] than [redacted] in 1919. There is still so much to be done."

'Championing children'

OBSERVER

Henderson's new leisure

■ So Sir Denys Henderson, 11th [redacted] chairman of [redacted] old Imperial Chemical Industries, [redacted] job to while away [redacted] retirement in April [redacted] year. The chairmanship of [redacted] Rank Organisation is not, perhaps, [redacted] obvious choice. [redacted] the one hand, [redacted] the classic purveyor of entertainment for [redacted] Butlins, bingo, [redacted] cinemas and fruit machines. [redacted] only [redacted] point of contact with [redacted] Dulux paint.

On the [redacted], Rank as [redacted] whole is by common consent [redacted] ungainly sprawl. [redacted] hotels, casinos and [redacted] leisure empire, [redacted] takes in a half share of Rank Xerox and some £600m of specialised [redacted] the film and TV industries. Sir Denys [redacted] man who [redacted] ICI – a tightly focused business by Rank's [redacted] year broke it up into [redacted] companies. [redacted] will [redacted] And indeed, as [redacted] pugnacious Aberdonian, what will [redacted] Michael Gifford, Rank's equally pugnacious Australian chief executive?

The appointment raises [redacted] broader question. ICI [redacted] a tightly [redacted] culture, [redacted] Sir Denys [redacted] typical in having spent his entire working [redacted] the company. [redacted] immediate predecessor, Sir John Harvey-Jones, [redacted] mixed advertisement for [redacted] of ICI [redacted] in [redacted] wider [redacted] John [redacted] retirement lectured the nation on how [redacted] run things. On [redacted] other, [redacted] directorships proved patchy, taking in as it did [redacted] now bust recruitment group Burns Anderson [redacted] struggling [redacted] leasing giant GPA.

But ICI has in fact quite [redacted] prominent record in providing bosses for the nation. It is 30 [redacted] since Lord Beeching – an ICI director – took the axe to Britain's railways. The present chairmen of Lloyds Bank, BICC [redacted] British Airports Authority [redacted] all ex-ICI [redacted] ICI [redacted] on [redacted] run Dunlop, Blue [redacted] and British Home Stores. In their time, other ex-ICI directors [redacted] British Steel, [redacted] Coal, Rolls-Royce and Tate [redacted] Lyle. Not all these companies [redacted] prospered: [redacted] that, of [redacted], is another story.

Stitched up

■ [redacted] it was [redacted] in-flight casino; [redacted] it's the on-board tailor. [redacted] on Richard [redacted] Virgin Atlantic airline [redacted] Hong Kong will be able [redacted] order the mile-high suit.

The customer [redacted] measured on board. [redacted] details will be [redacted] from the aircraft [redacted] Hong [redacted] factory, [redacted] will make up [redacted] during [redacted] visit.

Business travellers spend only three days on [redacted] in Hong Kong. [redacted] they wanted most of all was to buy [redacted] suit; but they [redacted] have [redacted] time. [redacted] *if* [redacted] flight's delayed? [redacted] enough for [redacted] presumably.

'[redacted] time you [redacted] a [redacted] just bow'

Whipped Belize

■ The Labour party's seven-week-old procedural [redacted] against [redacted] Tory government at Westminster [redacted] turning ugly. Labour's refusal [redacted] "pair" with Tory MPs, [redacted] process whereby MPs [redacted] opposing parties [redacted] during [redacted] vote, [redacted] forcing MPs to [redacted] virtually every Commons [redacted] – a stricture [redacted] which most are unaccustomed.

As if this was not bad enough, one of the high spots in the MP's winter calendar – [redacted] fact-finding trip by the defence select committee, [redacted] the former [redacted] colony of Belize – has had to be cancelled. A case of the wrong type of guerrilla [redacted]

Cheap skaters

■ Trafalgar [redacted] chairmen seem to be getting cheaper by the day. [redacted] that Sir Nigel [redacted] got paid [redacted] for [redacted] than three [redacted] work, [redacted] Alan Clements [redacted] warming [redacted] months [redacted] Keswick turned up. [redacted] remuneration [redacted] £200 per day compared with £300 per [redacted] for [redacted] and [redacted] day [redacted] Nigel's final [redacted] days in [redacted].

Spies right

■ The refuseniks [redacted] GCHQ – the [redacted] government's intelligence monitoring [redacted] Cheltenham, [redacted] trade unions [redacted] banned 10 years ago – were startled to hear Rupert Allason, Conservative MP [redacted] Torbay, explain in a parliamentary debate why [redacted] union ban was imposed.

[redacted] blamed [redacted] on [redacted] in December 1981. [redacted] martial [redacted] imposed by General Wojciech Jaruzelski [redacted] Poland, [redacted] UK was "blind" [redacted] intelligence terms, according [redacted] Allason. But John Cook, one of 14 trade unionists who [redacted] their jobs for refusing [redacted] accept the ban, [redacted] Allason, who doubles as the thriller writer [redacted] West, has been listening to [redacted] stories. [redacted] believes there [redacted] industrial action [redacted] GCHQ [redacted] time.

[redacted] point. A colleague was working in [redacted] then, and during martial law was [redacted] by [redacted] British embassy's defence [redacted] observe "casually" Polish military [redacted] – a remarkable scraping [redacted] spying terms.

Uncovered again

■ Meanwhile, [redacted] intelligence [redacted] normally reliable [redacted] Paul Lever, who [redacted] replaced [redacted] *chairman* [redacted] joint intelligence committee, [redacted] top [redacted] on what Britain's spies are up to. [redacted] Lever and Neville-Jones worked [redacted] European Commission – they [redacted] both *chef* [redacted] Christopher Tugendhat – they were assigned [redacted] names to ensure [redacted] communication with Whitehall. The [redacted] names [redacted] taken from the long running radio comedy show, Round the Horne.

Lever was [redacted] and Neville-Jones (wait [redacted] it) [redacted] Molestrangler ...

FINANCIAL TIMES
Friday January 28 1994

News Corporation links up with local group to win commercial licence

Murdoch invests in Polish TV

By Christopher [illegible] in Warsaw and Raymond Snoddy [illegible] London

Mr Rupert Murdoch's News Corporation has made its first big breakthrough in commercial television in Eastern Europe [illegible] a member of [illegible] consortium that has [illegible] the licence for Poland's first commercial channel.

The licence for the [illegible] national channel was awarded yesterday to Polsat, [illegible] Polish owned satellite television [illegible]pany which has been broadcasting into Poland from Holland.

[illegible] Murdoch, who [illegible] been trying [illegible] expand his television interests all over the world, is believed [illegible] have taken [illegible] per cent stake in the new Polish [illegible]sortium – [illegible] maximum allowed for foreigners under Polish regulations.

The 33 [illegible] foreign investment suggests that the foreign input would [illegible] valued [illegible] around $23m. The initial outlays [illegible] the channel [illegible] expected [illegible] between [illegible] $100m, while the Polish market's total television advertising revenues [illegible] presently estimated [illegible] a year.

The decision to award the 10-year licence for [illegible] conventional national channel [illegible] taken unanimously yesterday by the [illegible] and Television Council, the [illegible] media regulatory body.

Polsat fought off competition [illegible] mixed Polish and foreign groups which included Bertelsmann, [illegible] Warner and CLT, the Luxembourg based broadcaster.

Mr Murdoch's previous [illegible] into Eastern Europe have involved [illegible] investment, in particular the ill-fated joint venture [illegible] publish Super, a tabloid [illegible] at the former East Germany.

It [illegible] yet clear what role News Corp will play in the [illegible] Polish channel, although the company [illegible] considerable film and television rights through Twentieth Century Fox studios and Fox Television, the US net[illegible].

The Polish broadcasting [illegible]cil also indicated yesterday that an application for regional broadcast licences from Canal Plus, the French pay television channel operator, would be favourably considered. Canal Plus had applied for the national licence.

Mr Piotr Nurowski, [illegible] senior Polsat executive, said yesterday that his company planned [illegible] its 250bn zlotys ($11.5m) capital [illegible] 1,000bn zlotys through private placements among domestic investors.

Polish state television, which broadcasts on two national channels, also carries advertising. The exact terms of the licence have yet [illegible] be negotiated between [illegible] council and Polsat, and [illegible] broadcaster's plans [illegible] link with Mr Murdoch might yet be blocked. Polsat had earlier declared that it wanted to keep the channel in Polish hands.

Reno's deputy quits after clash of 'management style'

By [illegible] Martin in Washington

The Clinton administration's acute personnel problems [illegible] compounded yesterday by the abrupt resignation of [illegible] Philip Heymann, number [illegible] at [illegible] US Justice Department.

Mr Heymann, appearing alongside [illegible] Janet Reno, the attorney general, at a weekly [illegible] conference, cited differences [illegible] "operating and management style" with his boss. [illegible] insisted there [illegible] philosophical or political disagreements but that the personal chemistry, in Mr Heymann's words, "was not right."

His departure is certain to reflect badly not only on [illegible] White House but also [illegible] Ms Reno, the former Miami state prosecutor and President Bill Clinton's third choice [illegible] attorney general after two earlier candi[illegible] withdrawn because [illegible] irregularities.

The deputy attorney general, [illegible] veteran of the Justice Department in Democratic administrations over the last [illegible] years, [illegible] former member of [illegible] Watergate prosecution team and [illegible] Harvard [illegible] professor, [illegible] been considered [illegible] experienced [illegible] overworked rock in [illegible] department headed by [illegible] attorney general with no previous federal record and with [illegible] of [illegible] senior positions [illegible] unfilled.

[illegible] Heymann said he had told [illegible] House of his intention [illegible] resign [illegible] Wednesday night, but [illegible] the [illegible] with Ms Reno [illegible] week before.

The Justice Department also announced yesterday the resignation of Ms Lula Rodriguez, brought by [illegible] Washing[illegible] work in her private office. [illegible] Rodriguez [illegible] under investigation in [illegible] Miami vote fraud [illegible].

[illegible] the country by storm with her blunt acceptance [illegible] responsibility for the violent end last spring of the siege in Waco, Texas, of the Branch Davidian religious cult.

Though [illegible] very popular outside Washington for her forthright views [illegible] social issues, [illegible] under growing pressure in the capital for alleged administrative shortcomings and for failing to mobilise her department on a variety of issues, including the Waco report [illegible] investigations into the Whitewater affair, involving Mr and Mrs Clintons' Arkansas business dealings.

However, she has been hampered by White House indecision [illegible] appointments, with three of the department's six top divisions still without heads.

Turkey tightens monetary policy

By John Murray-Brown

Turkey yesterday announced measures to bolster faltering [illegible]fidence in the lira in the wake of an 11.97 per cent devaluation of the currency.

The changes, announced by the central bank governor, Mr Bulent Gultekin, represent a tightening in monetary policy. The [illegible] is likely [illegible] create further upward pressure [illegible] interest rates, [illegible] banking authorities seek [illegible] soak up the lira liquidity to support the currency. Turkey's leading retail banks yesterday introduced [illegible] rates, with one-year deposits now earning around 88 per cent. Overnight rates have been pushed as high as 180 per [illegible] in the wake of the currency crisis.

Under the reforms, the central bank redefines its reserve requirement to reflect a bank's total liabilities, not just the volume of time deposits as before. The measures, which appeared to have slowed the [illegible] of the lira yesterday, were broadly welcomed by Turkish bankers. However, they penalise wholesale non-deposit banks, particularly foreign banks.

The moves aim to restore currency stability around the central bank's newly announced [illegible] of 17,250 to the dollar. The changes [illegible] add considerably [illegible] the costs [illegible] banks of raising funds, but they will help the government finance the budget deficit as banks [illegible] to [illegible] the new [illegible] requirement.

After hectic trading yesterday, the Istanbul stock exchange closed at 19,513.6, down 7.6 [illegible] cent in lira terms. In dollars [illegible] the market [illegible] close [illegible] 35 per cent since the run on the lira started 13 days ago. There [illegible] reported heavy selling of [illegible] bank shares.

[illegible] Tansu Ciller, the prime minister, [illegible] the measures were "in line with the rules of the [illegible] market".

Row erupts over Bosnia

Continued from Page 1

for [illegible]. "One could not let [illegible] sort of unfriendly [illegible] [by [illegible] McCurry] [illegible] without comment," [illegible] French official said. "They [the State Department] fired first, and [illegible] had [illegible] respond," she said.

[illegible] France would "not [illegible] for [illegible] from Washington", the official said, because [illegible] "the absolute necessity of a unified and coherent approach from [illegible] international community".

German Chancellor Helmut Kohl yesterday backed [illegible] US position, saying armed intervention would commit hundreds of thousands of soldiers without necessarily establishing peace.

French officials in Brussels [illegible] last night meeting their British and German counterparts, and will today hold discussions with [illegible] EU partners [illegible] try to find "either [illegible] proposals or [illegible] new method" for the stalled Geneva peace talks.

Senate urges Clinton to lift Vietnam trade ban

[illegible] George Graham in Washington

The [illegible] took [illegible] big step towards closer relations with Vietnam yesterday when [illegible] Senate voted [illegible] President Bill Clinton [illegible] lift [illegible] trade embargo that has been in place since the fall of Saigon in 1975.

Led by [illegible] group of senators from both parties who served in the Vietnam war, the Senate adopted by [illegible] 38 [illegible] resolution [illegible] is expected [illegible] provide Mr Clinton with the political support [illegible] an early move to lift the embargo.

Both [illegible] Department's senior Asia experts [illegible] military commanders in charge of the search for [illegible] remains of US servicemen [illegible] as missing in action have [illegible] lifting [illegible] embargo, but such [illegible] remains anathema [illegible] many organisations representing veterans and [illegible] families [illegible].

The [illegible] has been edging towards [illegible] normal relations [illegible] Vietnam along the lines of a "roadmap" sketched out by former president George Bush, which [illegible] US diplomatic and economic concessions to the [illegible]toration of a democratic govern[illegible] neighbouring Cambodia and co-operation in accounting for [illegible] 2,000 MIAs whose ultimate fate [illegible] not known for certain.

[illegible] Clinton [illegible] year [illegible] US opposition [illegible] lending by the International Monetary Fund and the [illegible] Bank, and [illegible] businesses have since then [illegible] chafing [illegible] exclusion from [illegible] many [illegible] a promising [illegible]nomic opportunity.

Senator John Kerry, [illegible] Massachusetts Democrat and decorated Vietnam veteran, said [illegible] vote was "not a [illegible] of patriotism" but a judgment [illegible] how best [illegible] achieve further progress in accounting for MIAs.

THE LEX COLUMN

Granada's media hype

Stopping the clock in takeover bids may drag the process out, but [illegible] it allows [illegible] time for knockabout exchanges. Yesterday's missive from Granada was good value in that respect. There were some eye-popping numbers: Granada's bid values LWT [illegible] a Japanese-style 35 times its annual cash flow, and [illegible] it at a 42 [illegible] cent premium [illegible] the FT-SE-A All-Share index, itself scarcely undervalued. There was also [illegible] entertaining rhetoric which, incidentally, reinforced the point that much of the re-rating of media companies has already happened. Indeed, shareholders may be beginning to wonder whether Granada's offer more than reflects the sector's prospects.

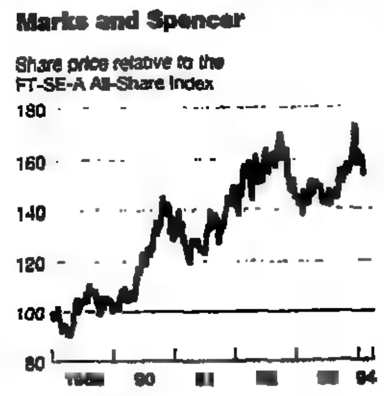
It may be that Granada has little option but [illegible] participate in the [illegible]rent consolidation if it wishes to remain a large shark in the shrinking ITV pool. [illegible] that [illegible] not guarantee good long-term returns for sharehold[illegible]. The [illegible] advertising sales [illegible] shown that ITV companies [illegible] currently little [illegible] than [illegible] moderately predictable [illegible] flow over [illegible] next nine years with [illegible] reasonable certainty of renewal for [illegible] further decade. On that basis, [illegible] current bids look expensive. Unless the new larger companies [illegible] use their channel [illegible] licences [illegible] platform for wider ambitions, the bids may [illegible] to haunt chairmen in future annual general meetings.

Stretched valuations are not [illegible] only nail in LWT's coffin. Granada [illegible] likely [illegible] be [illegible] any [illegible] of Fair Trading objections [illegible] advertising sales. LWT's prospects of finding [illegible] white knight able [illegible] match Granada's offer [illegible] be evaporating. That leaves LWT with a very difficult proposition [illegible] sell. Given that Granada [illegible] in such a strong position, it was thus [illegible] touch disappointing that in [illegible] pursuit of good sport [illegible] predator found it necessary [illegible] cast innuendo [illegible] LWT's profits forecast.

FT-SE Index: [illegible] (-8.8)

Marks and Spencer

Share price relative to the FT-SE-A All-Share Index



Source: FT Graphite

France

The newly independent Bank of France scores high marks for presentation. Choosing a [illegible] money supply target close to the 4 to [illegible] per [illegible] range established by the Bundesbank would have seemed barmy after [illegible] year's massive undershoot and the prospect of slow expansion again this year. Establishing [illegible] medium-term target around what is coincidentally [illegible] central point of the Bundesbank's present range keeps intact the theory of convergence. That is in [illegible] an indication [illegible] Bank of [illegible] does [illegible] to stray [illegible] the Bundesbank on interest [illegible].

The trouble with medium-term targets [illegible] that, while they prevent policy being unnecessarily influenced by short-term distortions, they also give the authorities [illegible] to make decisions [illegible] hoof. Since [illegible] shift [illegible] deposits [illegible] again make comparison of this year's M3 growth with the target meaningless, [illegible] Bank [illegible] rely [illegible] other signals.

One indicator which it is emphasising, the exchange rate, [illegible] under[illegible] attachment [illegible] Germany. The other, growth [illegible] of total [illegible] in the economy, will provide [illegible] additional excuse [illegible] in cutting interest rates. That will [illegible] help exporters who [illegible] struggling [illegible] compete in European markets [illegible] currencies have [illegible] devalued. Nor [illegible] it create [illegible] propitious [illegible] the remaining privatisation [illegible].

Marks and Spencer

[illegible] Spencer [illegible] again [illegible] by [illegible] reticence. Yesterday's two-paragraph trading [illegible] came earlier than the stock market expected [illegible] typically [illegible] hard figures [illegible] on, investors [illegible] assume [illegible]. That [illegible] mistake. Careful reading suggests that decent trading [illegible] made [illegible] for a poor November. If [illegible] cash cost of [illegible] post-Christmas [illegible] similar [illegible] last year, and volumes have [illegible] up, gross margin should actually have improved.

After yesterday's [illegible] fall, though, the shares [illegible] at their low[illegible] relative to the market for some years. In part, that reflects the de-rating of [illegible] retailers have lost the [illegible] of [illegible] and high street property [illegible] attractions. Nor are M&S's defensive qualities the height of fashion [illegible] recovery stocks are available elsewhere. That said, the margin erosion revealed by Burton yesterday [illegible] a reminder that [illegible] retailing recovery stories [illegible] anticipated happy ending. If budget [illegible] increases [illegible] consumer spending through [illegible]. M&S's unbroken record of earnings growth will [illegible].

British Gas

After [illegible] raging [illegible] McKinnon, [illegible] Claire Spottiswoode's still, [illegible] voice [illegible] calm comes as quite [illegible] shock. The new gas watchdog [illegible] agreed [illegible] the Monopolies [illegible] Mergers Commission that [illegible] Gas's price [illegible] should be loos[illegible] a notch. Given [illegible] Ms Spottiswoode would [illegible] exposed to judicial review [illegible] she overturned [illegible] conclusion which the [illegible] took [illegible] year to reach, [illegible] should [illegible] no surprise.

Still, such [illegible] must come as a [illegible] to British Gas. Equally, the [illegible] price [illegible] in the newly-competitive [illegible] will help [illegible] company fight cherry [illegible]. Yet while [illegible] is useful, [illegible] hardly trans[illegible] prospects. Pressure will remain [illegible]. And the shares' 5.2 per cent yield [illegible] the [illegible] that [illegible] may struggle [illegible] above [illegible] rate of inflation.

Rank Organisation

ICI [illegible] under-performed [illegible] by just over [illegible] since [illegible] Denys Henderson [illegible]man in April 1987. Perhaps he will do better by [illegible] Rank Organisation which [illegible] level-pegged the [illegible] in the same period, despite [illegible] many [illegible] the misguided purchase [illegible]. A first step could [illegible] to sell the group's minority stake in Rank [illegible] to [illegible] parent. But that is not [illegible] new idea and there are tax obstacles aplenty [illegible], not to mention the question of whether Xerox can afford [illegible] deal. The bigger strategic [illegible] will be to [illegible] of Rank's hotchpotch [illegible] managed businesses, ranging from video-duplication to holiday camps.

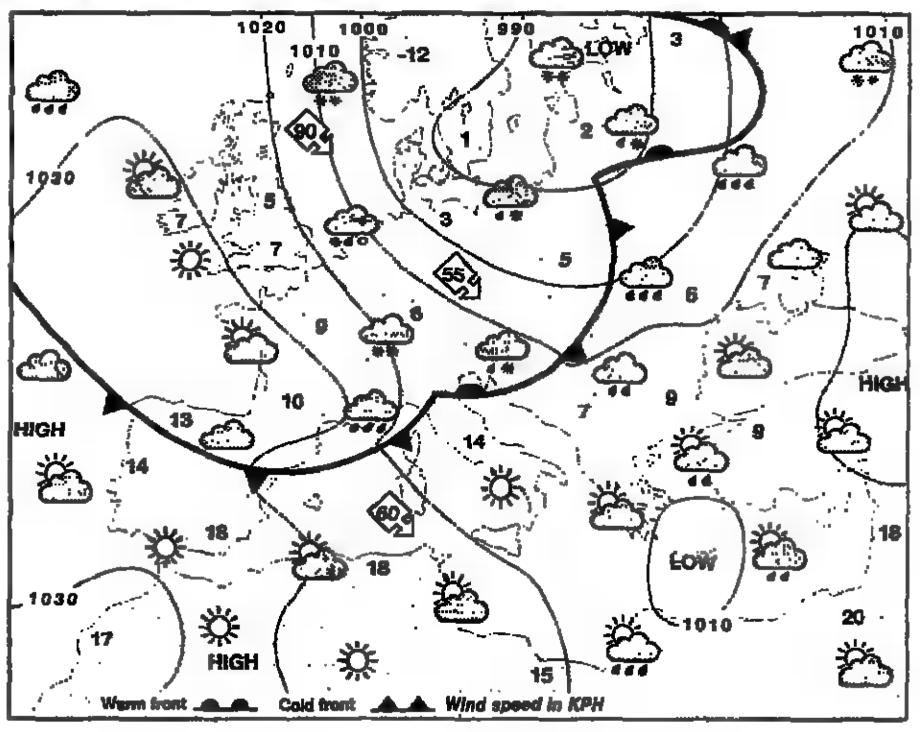
FT WEATHER GUIDE

Europe today

The divergence [illegible] high [illegible] north-west of Spain [illegible] over Scandinavia will maintain a strong north-westerly flow. [illegible] air will spread over [illegible] and [illegible] Europe. The [illegible] have frequent wintry [illegible] gale to strong gale north-westerly winds. [illegible] and windy [illegible] will [illegible] Denmark, Germany, [illegible] the [illegible] Republic. The British [illegible] will start [illegible] with wintry [illegible] which [illegible] begin [illegible] by [illegible] afternoon. [illegible] France will [illegible] sunny spells [illegible] will [illegible] plenty [illegible] sun in southern Spain and Portugal. The Alps will have snow, especially in northern and [illegible] parts. South [illegible] Alps, it will [illegible] dry [illegible] mainly sunny. [illegible] Turkey will [illegible] rain.

Five-day forecast

The north-westerly [illegible] will [illegible] right onto [illegible] continent. [illegible] result, changeable conditions will occur in [illegible] south-eastern Europe with steadily [illegible] temperatures. The [illegible] Isles, southern Scandinavia and [illegible] will [illegible] unsettled and windy. South-west Europe will stay settled with abundant sunshine owing [illegible] Azores high pressure system.



Situation at 12 GMT. Temperatures maximum for day. Forecasts by Meteo Consult of the Netherlands

TODAY'S TEMPERATURES

		Maximum Celsius
Abu Dhabi	sun	27
Accra	fair	33
Algiers	sun	18
Amsterdam	windy	5
Athens	rain	11
B. Aires	sun	31
B.ham	fair	6
Bangkok	fair	32
Barcelona	sun	16
Beijing	sun	1
Belfast	cloudy	4
Belgrade	shower	6
Berlin	shower	5
Bermuda	cloudy	21
Bogota	fair	21
Bombay	hazy	33
Brussels	shower	6
Budapest	cloudy	6
C.hagen	rain	4
Cairo	cloudy	20
Cape Town	fair	23
Caracas	sun	27
Cardiff	fair	7
Chicago	snow	-3
Cologne	shower	6
D' Salaam	fair	30
Dakar	sun	22
Dallas	cloudy	6
Delhi	sun	22
Dubai	sun	26
Dublin	fair	[illegible]
Dubrovnik	shower	[illegible]
Edinburgh	cloudy	[illegible]
Faro	sun	[illegible]
Frankfurt	shower	6
Geneva	cloudy	6
Gibraltar	sun	18
Glasgow	shower	3
Hamburg	windy	4
Helsinki	snow	-4
Hong Kong	fair	21
Honolulu	thund	24
Istanbul	cloudy	9
Jersey	fair	8
Karachi	sun	25
Kuwait	fair	25
L. Angeles	sun	14
Las Palmas	sun	20
Lima	fair	26
Lisbon	sun	16
London	shower	7
Lux.bourg	shower	4
Lyon	cloudy	8
Madeira	sun	18
Madrid	sun	15
Majorca	fair	17
Malta	fair	15
[illegible]	cloudy	6
[illegible]	fair	29
Melbourne	sun	30
Mexico City	fair	19
Miami	fair	27
Milan	sun	14
Montreal	snow	-3
Moscow	snow	0
Munich	shower	4
Nairobi	sun	27
Naples	sun	13
Nassau	fair	26
New York	ice	3
Nice	windy	16
Nicosia	shower	16
Oslo	snow	-6
Paris	fair	9
Perth	sun	38
Prague	shower	5
Rangoon	sun	32
Reykjavik	snow	-5
Rio	fair	30
Riyadh	sun	27
Rome	fair	14
S. Frsco	sun	13
Seoul	fair	1
Singapore	shower	30
Stockholm	cloudy	-5
Strasbourg	shower	8
Sydney	fair	25
Tangier	sun	18
Tel Aviv	shower	19
Tokyo	cloudy	8
Toronto	snow	0
Tunis	sun	17
Vancouver	sun	9
Venice	shower	9
Vienna	cloudy	9
Warsaw	shower	6
Washington	rain	14
Wellington	sun	23
Winnipeg	fair	-15
Zurich	rain	6

FINANCIAL TIMES
COMPANIES & MARKETS
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IN BRIEF

Banesto share trading to resume

Trading in Banesto, the Spanish banking group in which the [illegible] intervened to impose a new management last month, will resume on Tuesday. The move might [illegible] agreement on a rescue plan for the group. Page 18

Procter & Gamble ahead 13%
Procter [illegible] Gamble, the US consumer products group which last summer embarked on [illegible] plan to close 30 plants and shed 13,000 jobs, said strong sales growth had led to a 13 per cent increase in net income. Page 19

Dow Chemical hit by breast claims
Dow Chemical, the US [illegible] reported net losses of [illegible] for its fourth quarter because of heavy provisions for litigation against Dow Corning, the biggest US manufacturer of breast implants, in which it holds a 50 per cent stake. Page 19

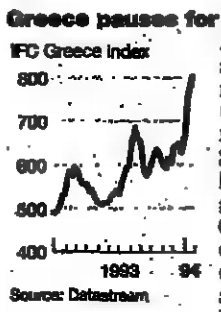
Cummins nearly doubles profit
Cummins, [illegible] US diesel-engine manufacturer, capitalised on the booming North American [illegible] heavy-duty [illegible] by nearly doubling profit. [illegible] 19

Telefonica advances
Telefonica, Spain's government-controlled [illegible] pre-tax profits 7 [illegible] cent. [illegible] 20

Liffe opts for FT-SE 250 futures
The London International Financial Futures & Options Exchange plans initially to launch only [illegible] contracts on the FT-SE Mid 250 index, postponing the introduction of options. Page 21

Greece pauses for breath

IFC Greece index



Source: Datastream

After two months of frenzied activity, triggered by the flotation of six leading Greek construction companies, investors on the Athens Stock Exchange are pausing [illegible] breath. The [illegible] general index dropped 0.4 per cent yesterday to close at 1,109, its fourth decline in five days. Brokers and market analysts attributed the fall to profit-taking by foreign investors [illegible] drove the market up by some 20 per cent this month. Back Page

Allied Textile [illegible] ahead of [illegible]
Allied Textile Companies, the UK textile manufacturer and processor, announced two acquisitions [illegible] North America and an 8 per cent advance in pre-tax profits. Page 22

Sweetening the US union men
[illegible] Neil Shaw, Tate and Lyle [illegible] chairman, [illegible] the British-owned global [illegible] ers' [illegible] anti-union. "Union busting [illegible] not part of our corporate style," he said as he came under a barrage of questioning from US union officials brandishing proxy votes. Page 22

Unitech lifted by Japanese arm
A higher contribution from its Japanese subsidiary and currency movements helped Unitech, the international electronic components and controls group, lift interim pre-tax profits 62 per cent. Page 22

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Chief price [illegible]

FRANKFURT (DM)			
Rises			
[illegible]	808	+	[illegible]
Lindhyge-Hell	398	+	[illegible]
Mercedes	800	+	[illegible]
Falls			
[illegible]	1228	-	[illegible]
[illegible]	380	-	9
Linde	887	-	11
NEW YORK ($)			
Rises			
Caterpillar	100¼	+	1¼
Chrysler	60⅝	+	1⅝
Ford	66½	+	1⅞
Gen Motors	59¾	+	1¾
Falls			
3M	[illegible]	-	5⅜
[illegible]	[illegible]	-	1⅛

PARIS (FFr)			
[illegible]			
[illegible]	788	+	23
Docks de [illegible]	792	+	24
Orsan	[illegible]	+	12
Falls			
Bouygues	725	-	10
[illegible] RSCG	658	-	30
[illegible]	888	-	[illegible]
TOKYO [illegible]			
Falls			
Fuji Bank	2050	-	60
Ind Bk Japan	3130	-	120
Pioneer Elec	2810	-	110
[illegible]	1470	-	[illegible]
[illegible]	5850	-	20
TDK	[illegible]	-	20

[illegible] prices [illegible] 12.30.

LONDON (Pence)			
Rises			
Aldis	50	+	3
[illegible]	1475	+	118
[illegible] Toys	655	+	[illegible]
[illegible]	56	+	8
[illegible] Ste Est	[illegible]	+	[illegible]
Fisbtek	219	+	15
HSBC (75p shs)	[illegible]	+	32
Haymes Publ	815	+	30
Midland [illegible]	7½	+	2½
P & P	80	+	5
[illegible]	[illegible]	+	[illegible]
[illegible] Appts	[illegible]	+	[illegible]
Shandwick	48½	+	5

[illegible] Kids	79	+	4
Unitech	314	+	20
[illegible] Mng	55½	+	6½
Westland	288	+	14
Falls			
[illegible]	357	-	12
Burton	[illegible]	-	8¼
Marks [illegible]	439½	-	[illegible]
[illegible]	88	-	[illegible]
RMC	893	-	33
S & U	[illegible]	-	19
Sears	[illegible]	-	[illegible]

Usinor losses swell to FFr5.8bn

By John Ridding in Paris

Usinor Sacilor, the French state-owned steel [illegible] than doubled its [illegible] year [illegible] FFr5.8bn ($970m), according [illegible] provisional results announced yesterday by the [illegible].

[illegible] illustrate [illegible] financial [illegible] of [illegible] the companies slated for privatisation by France's centre-right government. The announcement coincided with [illegible] Air [illegible] a [illegible] about FFr7.5bn in 1993 [illegible] an order from [illegible] European Commission [illegible] gov[illegible] capital payments to Groupe Bull, the loss-making computer group. All [illegible] nies are on the list of 21 groups [illegible] for privatisation.

[illegible] Usinor Sacilor, from FFr2.4bn in [illegible] was [illegible] on several factors, from the depressed [illegible] prices [illegible] steel industry to the cost [illegible] restructuring.

Mr Francis Mer, chairman, [illegible] consumption in France [illegible] by 13 per [illegible] the impact of recession on [illegible] prices [illegible] been exacerbated by overcapacity, [illegible] production and the [illegible] restructure [illegible] industry. The reduction [illegible] prices prompted [illegible] to [illegible] per cent [illegible] FFr75.4bn.

[illegible] "a [illegible] year" for the [illegible] industry. [illegible] said Usinor Sacilor had suffered more than many of its [illegible] petitors because [illegible] the relatively sharp decline in demand from French industry and the effects [illegible] depreciation in [illegible] eral countries, particularly Italy and Spain.

Usinor Sacilor said it [illegible] extraordinary [illegible] FFr2.2bn relating to the failure last May of Saarstahl, [illegible] producer, [illegible] was controlled through a holding [illegible] by the French group. [illegible] costs, however, [illegible] by gains relating [illegible] a change in [illegible] ing practices for [illegible] of [illegible] furnaces.

Despite the sharp [illegible] in losses, Mr Mer pointed [illegible] several encouraging signs. [illegible] Europe, albeit gradual, [illegible] demand in [illegible] Asia, would [illegible] the group's cost-cutting [illegible] improve results this [illegible]. [illegible] about FFr2bn. [illegible] company's [illegible] also [illegible] ing, declining from FFr29.5bn [illegible] to FFr24.4bn, partly as a result of [illegible] investments.

Mr Edmond Alphandéry, the French economy minister, said investment [illegible] Air [illegible] also be reduced as part [illegible] the airline's restructuring. [illegible] ing a parliamentary finance [illegible] mittee, Mr Alphandéry said the reduction in investment would [illegible] about [illegible] this [illegible].

Mr [illegible] Blanc, [illegible] the national [illegible] October, [illegible] working on [illegible] return [illegible] airline [illegible] profitability.

Richard Lapper says the popularity of catastrophe reinsurance means rates may fall

Reinsurers eager for drama to become crisis

After floods in Europe, fires in [illegible] and a [illegible] in the [illegible] US, [illegible] week's [illegible] Angeles earthquake has again [illegible] reinsurers of the scale of the risks to which they are exposed. Yet although the final bill is not [illegible] known, early indications [illegible] that the [illegible] have remained relatively [illegible].

Overall [illegible] from the earthquake [illegible] provisionally [illegible] more [illegible] $15bn [illegible] double the toll of the San Francisco earthquake in [illegible] with much of the damage uninsured, claims [illegible] expected [illegible] to [illegible] than $3bn.

Also, [illegible] of the biggest [illegible] insurers in California – [illegible] and [illegible] – buy [illegible] reinsurance, analysts expect reinsurers [illegible] only $1.5bn of that bill.

Casual observers would [illegible] reinsurers, especially those exposed [illegible] high [illegible] catastrophe losses, to be [illegible]. After [illegible] the string of catastrophe losses, [illegible] world between 1989 [illegible] caused considerable grief [illegible] reinsurers, especially [illegible] Lloyd's, where the impact [illegible] ruined [illegible] Names – the individuals [illegible] have traditionally supported the market – [illegible] been one of the main factors in the market's [illegible] problems.

Yet in London, at least, [illegible] reinsurers wish that [illegible] loss [illegible] have [illegible] bigger. "Not big enough, old boy. [illegible] needed 8½" [illegible] the Richter scale which measures earthquake intensity, was one typical comment last week. Indeed many [illegible] the [illegible] pect that rates are likely [illegible] fall later this year.

Underpinning this ostensibly [illegible] rationale [illegible] a simple calculation. The catastrophes sandwiched between the European storms of 1987 and hurricane Andrew [illegible] caused losses of [illegible] than $40bn, drove many [illegible] players out [illegible] market and – [illegible] the [illegible] supply and demand for reinsurance [illegible] in favour [illegible] the seller – [illegible] reinsurance [illegible].

Lloyd's [illegible] London [illegible] last [illegible] catastrophe reinsurance rates had risen by between 133 [illegible] cent (for [illegible] companies), 450 [illegible] (for UK companies) [illegible] 780 per cent (for Japanese companies) since [illegible] addition, insurers buying reinsurance covers have generally accepted much more risk [illegible] their [illegible] accounts, with "deductibles", [illegible] excess points, rising by between 75 per cent in the UK and 500 per [illegible] in Japan.

This movement [illegible] transformed the underlying profitability of catastrophe reinsurance and attracted billions of dollars back into [illegible] business. Last [illegible] institutional investors pumped [illegible] $4bn into new reinsurance ventures, [illegible] mainly in the lightly [illegible] flexibly regulated Bermudian market.

More than [illegible] in institutional [illegible] have [illegible] injected [illegible] Lloyd's, where Names strong enough [illegible] continue trading have also increased their commitments. Capacity [illegible] Lloyd's – [illegible] amount of premium which Lloyd's syndicates are [illegible] to underwrite – will [illegible] at [illegible] £10.5bn in [illegible] compared with [illegible] in 1993.

[illegible] capacity shortages [illegible] catastrophe [illegible] market [illegible] substantially [illegible]. For buyers [illegible] recent renewal [illegible] – [illegible] US and UK [illegible] ers renegotiate their catastrophe reinsurance protections towards the end of each year – was the [illegible] for [illegible] time. Many brokers completed [illegible] much [illegible] lier [illegible] either 1992 or [illegible].

With more capital chasing [illegible] ter [illegible] and creating [illegible] Lloyd's underwriter describes as [illegible] "feeding frenzy", reinsurers have found [illegible] difficult to under[illegible] much [illegible] they [illegible].

"Last [illegible] would [illegible] per cent of a risk. This year you will be lucky [illegible] 6 [illegible] cent," said [illegible] underwriter, who specialises in [illegible] (most business [illegible] London is underwrit[illegible] on [illegible] subscription basis [illegible] underwriters writing [illegible] agreed percentage of [illegible] policy).

So [illegible] have [illegible] firm. Indeed, according to Mr Charles Bray, [illegible] broker [illegible] Willis Corroon, many larger [illegible] paid [illegible] 15 per [illegible] year – although [illegible] companies buying lesser amounts of [illegible] were able [illegible] renew [illegible] existing [illegible]. "There is [illegible] lot of posturing at the moment. A lot of buyers would like to see [illegible] in their prices but no one [illegible] giving them," said [illegible] Bray.

However, brokers and under[illegible] are expecting [illegible] to come under pressure [illegible] this year. Japanese and Australian insurers renew their catastrophe [illegible] in mid-year and could [illegible] the [illegible] benefit.

"I think [illegible] will drop by July. [illegible] Japanese [illegible] will come under tremendous pressure," [illegible] Lloyd's underwriter, who expects cuts of up to 15 per [illegible].

Mr [illegible] Kline, [illegible] Cat, [illegible] the [illegible] catastrophe [illegible] companies [illegible] in Bermuda, [illegible] prices [illegible] fall. "The question [illegible] not [illegible] but by how much. [illegible] will [illegible] down, probably dramatically in some [illegible] whether they [illegible] by that crucial [illegible] makes [illegible] untenable, [illegible] is really an unan[illegible] question."

Increasingly analysts [illegible] that only [illegible] large [illegible] will stymie [illegible] pressures. Hence [illegible] cynicism in London [illegible] about Los Angeles. According to one specialist reinsurance [illegible] "We [illegible] have [illegible] the peak [illegible] catastrophe pricing unless [illegible] starts blowing, shaking [illegible] burning again."

Salomon triples income to $476m

By Martin [illegible] in New York

Salomon Inc, [illegible] New York investment banking group with [illegible] volatile earnings record, yesterday announced more than tripled fourth quarter [illegible] income [illegible] in [illegible] record-breaking year for [illegible] US [illegible] industry.

It reported net income [illegible] $476m, or [illegible] share, up from $143m, [illegible] $1.06 a share, in [illegible] same period [illegible] helped by a strong profits [illegible] in investment banking and [illegible] good [illegible] ter in proprietary, [illegible] own-account, trading.

Salomon Brothers, the group's core [illegible] banking business, reported pre-tax earnings of $862m, up from $503m, while Phibro, [illegible] company's energy [illegible] commodity trading [illegible] a [illegible] $21m, down [illegible] in the final quarter [illegible].

Other leading Wall [illegible] investment banks have [illegible] reported strong increases [illegible] fourth quarter profits, [illegible] booming corporate [illegible] and equity, and heavy share trading by investment clients.

Mr Robert Denham, chairman, said he was "pleased but not satisfied" by the results, which [illegible] Salomon's [illegible] $1⅛ higher, [illegible] $47⅝, [illegible] lunchtime trading on [illegible] Exchange.

Salomon's [illegible] driven busi[illegible] – which includes [illegible] ment banking [illegible] commission income – had pre-tax earnings [illegible], up from $115m in [illegible] period [illegible].

"[illegible] in the fourth quarter were strong and [illegible] investment banking [illegible] generated [illegible] third consecutive quarter," the group said.

Salomon's [illegible] more volatile than other Wall [illegible] because [illegible] its heavy [illegible] on proprietary trading, [illegible] produce large swings in quarterly [illegible].

In the fourth quarter this business reported pre-tax profits of [illegible], against [illegible] in [illegible] period [illegible] 1992 and [illegible] $173m [illegible] quarter.

In 1993 [illegible] a whole Salomon made $416m [illegible] proprietary trading, [illegible] from $1.4bn in [illegible]. Its client-driven [illegible] from [illegible] $1.2bn.

For the full [illegible], Salomon Inc reported [illegible] $827m, or $6.28, up from $550m, or $4.05, in 1992. Return on equity, [illegible] accounting charge, [illegible] cent, up [illegible].

Provisions at AT&T and MCI lead to earnings fall

By Martin Dickson in New York

AT&T, [illegible] communications [illegible] computing group, yesterday reported [illegible] slight dip [illegible] fourth quarter net income [illegible] special charges, but a [illegible] cent increase in earnings excluding [illegible] provisions.

MCI Communications, its [illegible] rival in [illegible] long-distance market, reported [illegible] 33 per [illegible] drop in fourth quarter earnings [illegible] special charges, [illegible] a 24 per [illegible] increase excluding the provisions.

AT&T made [illegible] or 72 cents [illegible] share, in [illegible] quarter, after previously announced restructuring charges at [illegible] NCR computer subsidiary and a non-cash change [illegible] accounting methods. [illegible] pared with net income [illegible] $1bn, or [illegible] cents, in [illegible] same period [illegible] last year. Revenues [illegible] 5.5 per [illegible] to $18.46bn. Excluding the charges, [illegible] income was $1.15bn, or [illegible] cents a share.

[illegible] company's biggest busi[illegible] long-distance telecommunications, saw calling volumes [illegible] than [illegible] per [illegible] from [illegible] quarter of last year, helped by [illegible] improving [illegible] economy. AT&T, which faces fierce competition in this market from MCI and other rivals, [illegible] long-distance revenues [illegible] just [illegible] per [illegible] to [illegible] as [illegible] advantage special discount plans. [illegible] has been mounting [illegible] campaign [illegible] boost international equipment sales.

NCR, which [illegible] group is [illegible] aming [illegible] Global Information Solutions, reported [illegible] cent rise [illegible] sales of computer products and equipment, while [illegible] total [illegible] 7 per cent [illegible] $2.3bn. Excluding $190m [illegible] restructuring charges, [illegible] had operating income [illegible] $61m.

For the full year, excluding accounting and restructuring charges, the group reported [illegible] income of $4.26bn, [illegible] $3.15 a share, on revenues of $67.16bn, compared [illegible] income [illegible] $3.81bn, or $2.86 a share, on [illegible] of $64.9bn [illegible] 1992.

MCI reported fourth quarter earnings of $107m, [illegible] share, down [illegible] or [illegible] cents, [illegible] the same period of last year, after taking [illegible] realignment charge. Excluding the provision, earnings [illegible] $199m, or 34 [illegible] share. Revenues rose [illegible] than 13 [illegible] $3.13bn. For [illegible] full year, MCI reported earnings excluding charges of $731m, [illegible] $1.30 a share, up from $1.11 [illegible] in [illegible].

IBM UK sees return to profit

By Alan Cane in London

IBM UK, hardest [illegible] of the computer manufacturer's national subsidiaries in 1992, staged a strong recovery [illegible] year cutting [illegible] substantially.

[illegible] company lost £174m ($261m) before tax, including [illegible] of restructuring charges, compared [illegible] after [illegible] charges in [illegible].

Mr Nick Temple, chief [illegible] tive, attributed the improvement to cost cutting [illegible] a sharper business focus. He expected [illegible] return [illegible] profit [illegible] year. The parent company had made an equity investment of [illegible] year to strengthen the balance sheet, leaving the debt-equity ratio at [illegible] per [illegible].

The company did better than the rest of IBM's European operations, most of which are showing declining [illegible] and profitability as [illegible] recession deepens on the continent. European operations showed a 1 per [illegible] decline [illegible] revenues overall.

[illegible] UK's turnover [illegible] £4.06bn, [illegible] per cent [illegible] the £3.75bn recorded in [illegible] and in line with average industry growth. The parent company, reporting its [illegible] results earlier this week, posted an $8.1bn loss after restructuring charges [illegible] 2.8 per cent down [illegible] $62.7bn.

IBM UK's revenues [illegible] split between home sales, which totalled £1.73bn, and exports which [illegible] £2.3bn.

Mr Temple [illegible] the [illegible] had redesigned many of the ways [illegible] did business. [illegible] numbers [illegible] been cut by more than 30 [illegible] cent since [illegible] and now [illegible] at about 11,400. A "few hundred" [illegible] jobs would [illegible] this year [illegible] restructuring continued.

Mr Temple said that mainframe computers [illegible] "stable" in the UK but there had been growth in services, mid-range systems and personal computers. The company's factory [illegible] Greenock, Scotland, [illegible] PCs for Europe, [illegible] working [illegible] full capacity, with [illegible] per cent of [illegible] output was exported.

● [illegible] Germany's revenues declined [illegible] DM12.6bn ($7.2bn) from DM13.8bn. The [illegible] operating profits improved, but it [illegible] a [illegible] restructuring charges.

IBM Netherlands' total revenue declined 12 per cent to Fl 2.98bn ($1.6bn). Profits after [illegible] slid 35 [illegible] Fl 127m.

Trading in Banesto shares to resume next Tuesday

By Tom Burns in Madrid

Spain's Stock Exchange Commission said yesterday that trading in Banesto, the banking [illegible] in which the authorities intervened to impose [illegible] [illegible] management [illegible] [illegible] end of last month, would be resumed on Tuesday next week.

The decision could indicate that the Bank of Spain and the leading domestic banks were [illegible] agreement [illegible] a [illegible] plan for the troubled group.

The chairmen of the top five *banks* [illegible] *due to meet the governor* of the Bank of Spain and Banesto's acting president today – the second such meeting in the space of four days – and details of Banesto's sal[illegible] are likely [illegible] be officially disclosed on Monday.

The commission said it [illegible] its decision after being informed by Banesto that its [illegible] financing needs [illegible] [illegible] ($4.27bn) and that, [illegible] part of the plan [illegible] recapitalise the group, the par value of *Banesto's shares would be* reduced from a present Pta750 to "less than" Pta500.

The [illegible] plan for Banesto being discussed calls for [illegible] capital increase of not more than Pta200bn to be underwritten by the leading domestic banks and held on their behalf by the Deposit Guarantee Fund, the official agency charged with salvaging bankrupt banks.

Banesto is thought to have *told* [illegible] *commission that the* domestic financial sector, comprising both [illegible] private banks and the Bank of Spain, would also provide Pta285bn [illegible] acquire Banesto's non-performing loans and that Banesto would set [illegible] all its [illegible] [illegible] provisions.

But there is disagreement over the final figure of the capital injection, and over the burden that will [illegible] placed on Banesto's existing shareholders through [illegible] reduction in the *nominal price of their shares.*

[illegible] banks [illegible] understood to be pressing [illegible] [illegible] cut its share capital drastically, lowering the par value of [illegible] shares to Pta350 or less.

Banesto's shareholders include leading [illegible] institutions, grouped together [illegible] the Corsair Fund, [illegible] portfolio created by [illegible] [illegible] J. P. Morgan, which in a Banesto rights [illegible] in May last year invested *$175m to acquire* [illegible] [illegible] per cent of the bank's stock paying Pta1,900 per Banesto share.

Banesto shares were priced at Pta1,995 when their trading was suspended [illegible] December [illegible]

On Tuesday Banesto's shares will be allowed [illegible] fall freely during their first trading day, the Commission said.

MG Corp damage limited by metals group

[illegible] David [illegible] in [illegible]

Metallgesellschaft, the troubled [illegible] [illegible] and engineering group, said yesterday that [illegible] [illegible] having more [illegible] than it had anticipated in limiting [illegible] damage [illegible] by [illegible] speculative deals entered into by [illegible] Corp, the company's New York-based commodity trading subsidiary.

Metallgesellschaft said [illegible] losses from [illegible] Corp's ven[illegible] in [illegible] [illegible] [illegible] derivatives [illegible] had stabilised at the levels indicated earlier this month.

[illegible] Corp's risky [illegible] in the oil futures markets account for the bulk [illegible] the *DM3.3bn ($1.9bn) of past* [illegible] potential [illegible] which drove [illegible] metals, mining [illegible] industrial conglomerate [illegible] the brink of bankruptcy. [illegible] Corp [illegible] a [illegible] [illegible] [illegible] in [illegible] year to last September and is set to lose [illegible] further DM1.5bn this financial year as it unwinds [illegible] positions.

The [illegible] believed to [illegible] the biggest [illegible] by [illegible] company as a result [illegible] derivatives trading, [illegible] [illegible] of [illegible] timing mismatch between MG Corp's commitment [illegible] supply oil [illegible] [illegible] in [illegible] future [illegible] [illegible] hedging strategies [illegible] [illegible] protect [illegible] forward position.

[illegible] MG Corp contracted [illegible] deliver 170m barrels of oil [illegible] up to five years into [illegible] *future, it* [illegible] attempted [illegible] [illegible] its position by buying short-term futures contracts. "The timing difference [illegible] [illegible] when [illegible] oil price fell," [illegible] [illegible] banker.

When the oil price fell MG *Corp was obliged* [illegible] meet [illegible]gin calls – large cash payouts – with the New York Mercantile Exchange in respect [illegible] its short-term contracts. [illegible] it is understood that MG Corp did not require [illegible] own [illegible] [illegible] make margin calls, thereby exacerbating its cash flow crisis.

Mr Kajo Neukirchen, chief executive of Metallgesellschaft, [illegible] formulating [illegible] strategy for the group's future. Full details [illegible] [illegible] [illegible] revealed [illegible] February [illegible]

Doubts over Thyssen recovery

[illegible] Ariane Genillard in [illegible]

Thyssen, [illegible] German steel [illegible] engineering group, has reported weak domestic orders in the first quarter of its [illegible] [illegible] fiscal year, raising doubts about [illegible] recovery for the group [illegible] year.

Total orders in the three months [illegible] December 31 [illegible] fell 5 per cent, with European Union orders down [illegible] per cent.

Orders for Thyssen Industrie, the capital goods division, dropped by [illegible] per cent, mainly reflecting poor market conditions in the car industry. The sharpest drop was in machinery, which fell by [illegible] per cent.

The group did not disclose first-quarter results, but said turnover had improved 1.2 per [illegible] [illegible] the [illegible] period the previous year, mostly due [illegible] foreign subsidiaries. Turnover in *Thyssen Stahl, the steel* division, [illegible] down 7 per cent and in Thyssen Industrie by 10 per cent.

[illegible] Heinz Kriwet, chief executive, [illegible] he did not expect significant improvements in 1994, *mainly because of the* continued slump in the [illegible] industry. "The German economy obviously [illegible] difficulties finding [illegible] way out of the recession" he said.

However, he foresaw a "slightly better" situation for machinery, with production rising by 2 per [illegible] this year.

Steel losses forced Thyssen into the [illegible] [illegible] the year ended September 30 1993. It returned a [illegible] ($493.7m) *loss,* after DM348m pre-tax profits the year before.

Without the steel division, the group would have recorded an operating profit of DM774m, Mr Kriwet said. Thyssen will omit a dividend for the second consecutive year.

Mr Kriwet explained that prospects for [illegible] would continue to be marred by the situation [illegible] [illegible] steel division.

KLM in staff pension fund deal

[illegible] [illegible] [illegible] [illegible] in [illegible]

KLM Royal Dutch Airlines has issued Fl 155.6m ($80m) worth of non-tradeable participation *certificates* [illegible] *one of* [illegible] *staff* pension funds, [illegible] part of [illegible] wider cost-saving deal agreed with its staff last year.

The KLM Flight Personnel Pension Fund yesterday agreed [illegible] buy 4.75m profit participation certificates for [illegible] price of Fl 32.78 each, helping to bolster the airline's balance sheet.

The price per certificate is roughly equivalent [illegible] the level *at which KLM's ordinary* shares were trading when the deal with employees [illegible] struck [illegible] July. KLM's shares have since risen [illegible] around Fl 46.00, [illegible] spite of the collapse of merger talks with Swissair, Scandinavian Airlines System and Austrian Airlines.

The certificates give the pension fund the right [illegible] share in KLM's profit but they do not *carry voting rights* [illegible] *can* they be traded.

KLM [illegible] planning to make a rights issue later this year. The government has already pledged its support.

BMW sees further improvement

By Christopher [illegible] in Frankfurt

BMW, the luxury car, motorcycle and aero-engine *maker, yesterday forecast* [illegible] improved performance this year after making a clear profit in 1993.

The group, which has already said it will [illegible] match 1992's earnings of DM726m, blamed exchange rate losses and a 9.2 [illegible] cent drop in new [illegible] registrations for the 7.5 per cent *fall in turn*over to DM28.9bn ($16.5bn).

Boasting in a letter [illegible] shareholders *that it was the only* German vehicle maker [illegible] get through last year without *short-time working* and to make a profit into the bargain, it said [illegible] [illegible] not expect [illegible] lasting improvement in the world [illegible] market this year.

Car production fell 11 [illegible] cent last year to 533,000 units, compared with a [illegible] per cent slump in the German industry's total output. West European *BMW registrations* [illegible] 15 per [illegible] [illegible] [illegible] [illegible] mainly to [illegible] 17 per cent [illegible] [illegible] Germany.

Even so, [illegible] [illegible] sold [illegible] than 200,000 vehicles in [illegible] home market and won [illegible] share, especially [illegible] its top price models, the letter said. There [illegible] [illegible] compensation in [illegible] US, where [illegible] [illegible] [illegible] the best-selling European brand for the first [illegible] with a 19 [illegible] cent [illegible] in sales to [illegible] units.

While Japanese registrations fell 10 per cent [illegible] 25,800, deliveries in other south-east Asian markets rose 30 per cent to [illegible] units.

Forecasts [illegible] the current year were [illegible] on the prospect of only [illegible] improved global economic conditions. The [illegible] [illegible] was expected to continue, [illegible] [illegible] slight upswing [illegible] predicted for Europe and Japan.

German [illegible] would [illegible] dampened by falling real incomes, and exports would fuel the [illegible] [illegible] the continuing high value of the D-Mark.

Bosch turnover suffers downturn

By Christopher Parkes

Robert Bosch, the electronics and vehicle parts maker, made [illegible] [illegible] profit last year despite operating losses and the first [illegible] *in turnover in 26 years.*

The private concern, which earned DM512m on sales of DM34.4bn in 1992, said yesterday that turnover declined 6 per cent to DM32.3bn ($18.4bn). All business sectors were *affected, it added.*

No earnings details were given for 1993, but the positive result [illegible] mainly attributable to noticeably improved results from foreign business and a [illegible] credit associated with last year's capital increase from DM1.2bn to DM1.5bn, the [illegible]pany said.

Bosch, [illegible] of the stricken German automotive industry's biggest suppliers, said that while foreign sales remained *virtually unchanged* at DM16bn, domestic turnover fell 11 per cent [illegible] DM16.3bn.

Despite continuing unsatisfactory market conditions, it was cautiously optimistic that sales would rise this year. *However,* [illegible] *important precondition* for positive progress [illegible] [illegible] [illegible] settlement which helped cut German manufacturing's considerable cost disadvantages.

Pay negotiations with [illegible] [illegible] Metall union, which has threatened to start warning strikes next week, appeared [illegible] be deadlocked yesterday.

Two thirds of last year's 13,000 job cuts [illegible] [illegible] in Germany, [illegible] reductions in bonuses, *benefits* [illegible] other extra payments saved [illegible] DM250m. Further economies [illegible] [illegible] a cut of [illegible] to DM1.6bn in capital expenditure, while spending [illegible] research and development [illegible] *unchanged* at DM2.3bn.

In [illegible] with [illegible] [illegible]panies heavily dependent [illegible] [illegible] automotive industry, [illegible] [illegible] working to [illegible] [illegible] [illegible]facturing and distribution networks into developing foreign [illegible]

Consortium buys German news agency

By David [illegible] in Frankfurt

VWD-Vereinigte [illegible]dienste, [illegible] leading German financial [illegible] [illegible], [illegible] [illegible] bought by [illegible] consortium of [illegible] [illegible] US publishers.

The buyers are Dow Jones, [illegible] US information group which owns [illegible] Wall Street Journal, and [illegible] [illegible] German companies which publish the Handelsblatt, a daily business [illegible], and [illegible] Frankfurter [illegible], Germany's most influential daily newspaper.

The buyers are taking [illegible] third each [illegible] the company which last year generated revenues of DM40.8m ($23.3m), 70 per cent of which came from electronically distributed services. The shares were previously owned by the Deutsche Presse-Agentur, another news agency, and two other companies.

The new shareholders said they would strengthen and develop VWD's position [illegible] Germany's leading [illegible] agency for [illegible] and business.

As part of the transaction VWD has signed an agreement with Dow Jones covering the supply and exchange of financial news. This would secure VWD's sourcing of news over the long term, the agency said.

No details of the price were given but the issued share capital is to be increased and the new shareholders will inject new capital into VWD with the result that its capital ratio will "significantly" exceed 40 per cent.

Mixed returns from UK retailers

By [illegible] Buckley in London

The volatile recovery in consumer spending was highlighted yesterday by disappointing sales figures from Burton, UK fashion group and [illegible] lacklustre statement from Marks and Spencer, UK clothing and food retailer.

The statements contrasted *sharply with Wednesday's* news from Next, UK fashion retailer and MFI, the UK furniture group, that recent sales were improving. Analysts rewrote full-year profits forecasts. Burton was downgraded [illegible] £40m-£45m ($60m-$67m) from about £60m, [illegible] MFI lifted from about [illegible] to about £70m. M&S was unchanged at £860m-£880m.

Sir John Hoskyns, Burton chairman, said sales for the [illegible] 21 weeks of [illegible] [illegible] year, to January 22, were no better than last year. [illegible] were [illegible] per [illegible] up [illegible] Debenhams, [illegible] down [illegible] [illegible] cent in [illegible] multiple chains.

[illegible] said after [illegible] disappointing November, sales had [illegible] [illegible] and the six weeks [illegible] January 1 had [illegible] expectations.

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Rules on TV takeovers may be relaxed

By Raymond Snoddy [illegible] London

UK independent television companies now involved in takeovers believe the Office of Fair Trading is moving towards allowing one company to control up to 25 per cent of all UK television advertising.

The liberalisation would relax much [illegible] existing limits set at 25 per [illegible] of ITV revenue. If the market [illegible] redefined as all television advertising, only [illegible] modest reorganisation would be needed.

Mr Michael Heseltine, the trade and industry secretary, last week said it should be [illegible] to avoid referring the Granada-LWT and Carlton-Central takeover bids [illegible] the *Monopolies and Mergers Commission.* A [illegible] takeover of LWT would [illegible] [illegible] [illegible] bined sales [illegible] account for 40 per cent [illegible] ITV [illegible].

Lex, [illegible] [illegible]

Dow Chemical optimistic as deficit is cut to $48m

By [illegible] in [illegible]

Dow Chemical, the US chemicals [illegible], yesterday reported net [illegible] of $48m for [illegible] fourth quarter because [illegible] heavy provisions [illegible] litigation against Dow Corning, [illegible] biggest US manufacturer [illegible] implants, in which [illegible] holds a 50 [illegible] stake.

However, the [illegible] marked a sharp improvement [illegible] the [illegible] in [illegible] previous year's fourth quarter, and the figures [illegible] nied by an upbeat [illegible] the [illegible] from Mr [illegible] Popoff, chairman and chief executive.

"We expect earnings [illegible] improve [illegible] ny's on-going efforts [illegible] productivity and as a result [illegible] recovering world economies [illegible] improved industry fundamentals," Mr Popoff [illegible].

[illegible] has [illegible] suffering [illegible] cyclical [illegible] for [illegible] products, particularly from Europe. [illegible] in the [illegible] quarter, but sales were [illegible] per [illegible] lower [illegible] $4.5bn [illegible] prices fell.

Fourth-quarter earnings [illegible] from [illegible] pre-tax gain [illegible] investments, but [illegible] heavily outweighed by a [illegible] after-tax provision for litigation against [illegible] Corning [illegible] leaking implants. The result translated into [illegible] share [illegible] 18 cents, compared with [illegible] of [illegible] time.

However, Dow said that excluding [illegible] unusual items from the [illegible] figures, [illegible] charge against [illegible] previous year's fourth-quarter [illegible] profits, the [illegible] would have reported earnings per [illegible] of 30 [illegible], against 10 [illegible] a share last time.

[illegible] full year, Dow reported [illegible] per [illegible] drop in [illegible] $18.1bn [illegible] a 4 per cent fall in prices and a 1 [illegible] fall in volumes.

Net [illegible], compared [illegible] net losses of [illegible] last time, and earnings per share were [illegible] against [illegible] of $1.83. But [illegible] that [illegible] unusual [illegible] were stripped out, earnings [illegible] share [illegible] have [illegible] at [illegible], compared with $2.01.

Flotation planned for Armco Steel

By Richard Waters in New York

Armco [illegible] Steel, the [illegible] and Japanese [illegible] companies, are planning [illegible] float [illegible] US joint venture, [illegible] Steel, as part [illegible] $590m [illegible] italisation [illegible] the heavily indebted company.

The [illegible] will in [illegible] wipe out [illegible] companies' existing equity [illegible] joint venture, [illegible] produces flat-rolled [illegible] the [illegible] appliance and [illegible] industries.

The financing [illegible] among the largest [illegible] of recapitalisations by [illegible] producers in recent months. Companies [illegible] advantage [illegible] an upturn in their [illegible] return [illegible] public [illegible].

It also [illegible] a decision by Armco [illegible] Kawasaki not [illegible] commit [illegible] capital [illegible] their joint venture, which [illegible] racked up [illegible] of [illegible] $800m since [illegible] beginning of 1990. The [illegible] profit in the third quarter [illegible] last year.

The two partners plan [illegible] raise [illegible] new equity for Armco Steel to pay off much of its existing debt and reduce [illegible] fund [illegible].

According [illegible] a filing in the US, [illegible] will [illegible] 15.75m [illegible] at around [illegible], equivalent to more [illegible] 75 per [illegible] of [illegible] company's equity [illegible] recapitalisation.

In addition, Kawasaki will exchange $100m of subordinated [illegible] by Armco [illegible] for [illegible] in [illegible] newly capitalised company, giving [illegible] a 24 per [illegible].

The current equity in the company [illegible] all but extinguished in the transaction, reducing Armco's existing 50 per [illegible] to [illegible] than [illegible] per cent.

Armco [illegible] also plans [illegible] raise $275m of [illegible] long-term debt, leaving [illegible] with $412m of long-term [illegible] the recapitalisation [illegible] completed.

Income surges at Cummins as truck sector strengthens

By Frank McGurty in [illegible] York

Cummins, the US [illegible] engine manufacturer, capitalised on [illegible] improving North American [illegible] heavy-duty [illegible] by nearly doubling [illegible] profit in the fourth quarter.

The Indiana-based [illegible] yesterday [illegible] net [illegible] $47.1m, [illegible] a share, for [illegible] final three [illegible] last year.

The result [illegible] with [illegible] income of $24m, or [illegible] cents, in the corresponding period of 1992. In both quarters, the company took a [illegible] charge [illegible] early [illegible] debt.

[illegible] sharp [illegible] in profits, up [illegible] per [illegible] year-on-year, reflected more [illegible] just solid growth in [illegible], which [illegible] about 10 per [illegible] $1.12bn, against [illegible] a year earlier.

[illegible] North American truck industry [illegible] completed a banner year in [illegible] output jumped by 33 [illegible] cent, a [illegible] that filled Cummins's order [illegible] to near capacity.

[illegible] improved efficiency and higher productivity during a year in which the [illegible] its position [illegible] market's leading supplier, with a 35 per [illegible] share.

Sales of power-generation equipment, [illegible] company's second-largest business, [illegible] engines were buoyant.

[illegible] the full year, Cummins posted net earnings [illegible] $177.1m, [illegible] $4.79 [illegible] share, reversing [illegible] of $189.5m, or $6.01, in [illegible].

[illegible] year's result, however, included one-time charges of [illegible] the adoption of [illegible] accounting [illegible] costs.

On an operating basis, 1993 earnings [illegible], against $67.1m in the previous [illegible].

Annual [illegible] were [illegible] 14 per cent improvement over 1992 revenues of $3.7bn.

International sales, as a percentage of [illegible] total, slipped by 2 points [illegible] per cent, largely [illegible] sluggish conditions in [illegible] Europe, with [illegible] exception [illegible] UK.

[illegible] contrast, [illegible] in the [illegible] region were well [illegible] of [illegible] levels.

Sales growth lifts Coca-Cola

By Richard Tomkins

Strong [illegible] growth helped Coca-Cola, the [illegible] soft drinks [illegible], increase earnings per share by 20 per [illegible] for [illegible] fourth quarter [illegible] 17 per [illegible] for the year, excluding accounting changes.

[illegible] growth [illegible] due [illegible] share repurchases, which [illegible] number of [illegible] in [illegible] by 14m, or 1 per cent, during [illegible] year. [illegible] 1984, Coca-Cola [illegible] repurchased 429m shares – 26 per cent of those outstanding.

Unit case volume rose by [illegible] in [illegible] US for [illegible] quarter and [illegible] year, while international volume grew by 7 [illegible] cent for the quarter [illegible] cent [illegible] the year. (A [illegible] case [illegible] servings.)

[illegible] was an increase in fourth-quarter turnover [illegible] $3.37bn from $3.24bn. [illegible] by 19 per [illegible] from [illegible] earnings per [illegible] to [illegible] cents [illegible] 30 [illegible].

For the year, turnover advanced to $13.96bn from $13.07bn. Excluding unusual items, [illegible] income rose by 16 per [illegible] $2.19bn from $1.88bn [illegible] earnings [illegible] share [illegible] to $1.68 from $1.43 – though if a $219m charge for accounting changes to [illegible] earnings [illegible] included, [illegible] increase in [illegible] income would [illegible] 31 per cent.

Coca-Cola [illegible] if [illegible] items were stripped out, full-year [illegible] income [illegible] have been 19 per cent ahead [illegible] earnings per [illegible] 20 [illegible] ahead [illegible] $1.71, meeting [illegible] company's [illegible] forecast.

Brazil sells petrochemical group

By Angus Foster in Sao Paulo

Brazil has completed [illegible] of a controlling stake in Petroquimica, the first of several petrochemical companies [illegible] to be privatised [illegible] year.

The auction, which [illegible] already been delayed [illegible] times [illegible] cancelled once mainly for [illegible] declared [illegible] after meeting [illegible] government's requirement [illegible] least 75 [illegible] of the [illegible] on offer be [illegible].

At [illegible] on [illegible] Rio [illegible] Janeiro exchange [illegible] received for 80 [illegible] of the shares on offer, raising [illegible] proceeds [illegible] over [illegible] for [illegible] government.

PQU was 68 [illegible] owned by a subsidiary of Petrobras, the government-controlled oil monopoly.

Following the auction, Petrobras' [illegible] has fallen to [illegible] 20 [illegible] cent, while employees [illegible] 10 [illegible] cent.

The company's main shareholders [illegible] now Unipar, a [illegible] by Odebrecht, the chemicals and construction group, and PQU's main [illegible] such [illegible] Shell, petrol [illegible] tor Ipiranga and Union Car[illegible].

BCE falls into loss after one-off charges

By [illegible] in [illegible]

BCE, the Canadian tele[illegible], suffered a fourth-quarter loss [illegible] or C$1.73 per [illegible] share.

This compared with profit [illegible], [illegible] C$1.65, a [illegible] earlier, on [illegible] of C$5.6bn, little changed.

The loss, [illegible] expected, reflected heavy [illegible] charges, including [illegible] company's [illegible] write-downs at its Northern Telecom subsidiary.

For the full year, BCE [illegible] a [illegible] C$750m, [illegible] C$2.44, against a profit of C$1.29bn, or C$4.21, [illegible] year earlier.

[illegible] C$19.8bn, up slightly.

For [illegible], BCE also [illegible] heavy [illegible] on discontinued operations, including two property [illegible] the [illegible] of Montreal Trustco.

The contribution of BCE's main [illegible] unit, 100 [illegible] Bell Canada, was lower for [illegible] because [illegible] the recession.

● Profits [illegible] Shell [illegible] dropped [illegible] C$5m, [illegible] 5 [illegible] share, [illegible] special items in the fourth quarter [illegible], from [illegible] 83 [illegible] a year earlier, on revenues [illegible] C$1.23bn, little changed.

For the full [illegible], final profit [illegible] C$18m, [illegible] share, against C$80m, [illegible] 72 cents, on revenues of C$4.7bn, against C$4.5bn.

The company has brought its [illegible] field into production in Alberta, and paid [illegible] for two downstream acquisitions.

The [illegible] results [illegible] helped by higher gas prices, but these [illegible] largely [illegible] by lower oil and sulphur prices.

Downstream margins improved and petrochemical products were higher. [illegible] company expects improvement in [illegible].

UAL chief 'far from satisfied'

By Richard [illegible]

[illegible] Airlines, [illegible] carrier, yesterday reported a sharp reduction in fourth-quarter net [illegible] $64m from [illegible], leaving [illegible] for [illegible] full [illegible], compared with $957m [illegible].

One factor contributing to the improvement [illegible] one [illegible] rivals, [illegible] Airlines, last November.

United [illegible] benefited from [illegible] fall in oil prices, which reduced the [illegible] of [illegible].

[illegible] like [illegible] other [illegible] airlines, United is continuing to suffer tough competition [illegible] domestic short-haul [illegible] from low-cost competitors, such [illegible] Airlines.

Last month [illegible] negotiated [illegible] deal with [illegible] unions giving employees [illegible] majority [illegible] in United in exchange [illegible] wage [illegible] productivity improvements aimed [illegible] improving its competitiveness.

[illegible] Wolf: results [illegible] 'unacceptable'

[illegible] Stephen Wolf, [illegible] and [illegible] executive, said that although the fourth-quarter and full-year figures [illegible] improvement [illegible] previous year, United [illegible] "far from [illegible] with what must [illegible] as unacceptable results".

"Further, [illegible] analysis by market [illegible] that [illegible] short-haul routes, [illegible] continue [illegible] report our most severe losses due principally to the rapid expansion of low-cost [illegible] and the clear preference of consumers for low fares."

Fourth-quarter revenues rose by 14 per [illegible] $3.2bn, [illegible] losses per share fell to [illegible] $9.27.

For the year, revenues rose by [illegible] per cent [illegible] $14.5bn from $12.9bn [illegible] fell [illegible] $3.40 from $39.75 – though the previous year's full-[illegible] figure included an after-[illegible] charge of $540m for accounting changes.

Procter advances 13% to $653m

By Richard Tomkins

Procter [illegible] Gamble, the US consumer products [illegible] on a plan [illegible] plants and shed 13,000 jobs, yesterday reported [illegible] strong [illegible] growth [illegible] had led [illegible] increase in [illegible] income [illegible] quarter.

The figures for the first half of its financial [illegible] were well ahead, with [illegible] earnings [illegible] $1.32bn excluding accounting changes [illegible] restructuring provisions [illegible] figures.

[illegible] of the [illegible] ganisation were taken the previous year.

Mr Edwin Artzt, chairman [illegible] executive, [illegible] group's US consumer [illegible] had continued to deliver strong volume gains, including record shipments in [illegible].

The international operations had achieved double-digit volume growth in spite [illegible] difficult [illegible] many markets, with [illegible] Pacific, Latin [illegible] and [illegible] Europe doing particularly [illegible].

[illegible] Artzt [illegible] US and international businesses [illegible] good earnings growth, "due in part [illegible] restructuring [illegible], which [illegible] just beginning to contribute to our earnings progress".

[illegible] in the quarter [illegible] December [illegible] slightly down [illegible] $7.79bn from $7.84bn.

However, Procter [illegible] this reflected adverse shifts in dollar exchange rates. Without those shifts, sales would have been [illegible] per cent ahead.

Earnings [illegible] for [illegible] quarter rose 14 per cent to 92 [illegible] 81 cents.

For [illegible] December, turnover [illegible] 2.3 per cent [illegible] $15.35bn, [illegible] earnings [illegible] share [illegible] 12 [illegible] $1.87.

Canadian airlines end dispute

By Robert Gibbens

Air [illegible] called off its two-year [illegible] with rival [illegible] dian [illegible] Airlines, saying "it [illegible] for both of us [illegible] move forward and [illegible] on rebuilding [illegible] industry".

Air Canada said it was ending all litigation "[illegible] would preclude" PWA, Canadian's parent [illegible], from concluding a [illegible] (US$187m) deal with [illegible] parent of [illegible] Airlines.

AMR had insisted Canadian withdraw [illegible] the Gemini ticket [illegible] system [illegible] join its own Sabre system as a condition of injecting [illegible] equity.

But Air Canada, [illegible] co-founder of Gemini with PWA, maintained Canadian Airlines was contracted [illegible] Gemini [illegible] until 1997.

Air [illegible] would not add [illegible] the [illegible]. But the industry [illegible] it meant [illegible] the [illegible] membership in [illegible] system was [illegible].

At the same time , the federal government [illegible] it would soon [illegible] arrangements for Air Canada [illegible] have access to Japan and Hong Kong – two [illegible] already served by [illegible].

Air Canada had failed [illegible] persuade [illegible] public that it should [illegible] the sole Canadian international carrier and [illegible] should "concentrate [illegible] market", [illegible] Stephen Garmaise, analyst with First Marathon Securities in Toronto.

"We'll [illegible] international carriers and [illegible] ready to [illegible] C$10m [illegible] exit from Gemini."

[illegible] recently won [illegible] government loan guarantees. [illegible] with Air Canada [illegible] equity infusion would [illegible] it [illegible] move ahead [illegible] financial restructuring, with massive dilution facing existing stock[illegible].

VME Group back into the black with $30m

By Andrew Baxter

VME Group, [illegible] Brussels-based construction equipment producer, clawed [illegible] into [illegible] year with net income [illegible], compared with [illegible] net loss of [illegible] in [illegible].

The company, jointly [illegible] by Volvo [illegible] and [illegible] Equipment of the US, said the turnround [illegible] group-wide restructuring [illegible] together with the [illegible] the floating of [illegible] krone.

[illegible] income last year included $9.3m of gains from accounting changes relating [illegible] and pension benefits, [illegible] 1992 included [illegible] restructuring charge [illegible] $18.7m.

The recovery came in spite of [illegible] 9 per cent [illegible] in [illegible] $1.36bn in 1992 [illegible] $1.23bn last year.

[illegible] demand [illegible] construction equipment [illegible] weak [illegible] most European countries, [illegible] signs of [illegible] in the UK. [illegible] important German market declined significantly from [illegible] exceptionally strong performance in [illegible] in North America, Latin America and [illegible] excluding Japan [illegible] signs of recovery.

In the [illegible] VME has [illegible] five plants, [illegible] off [illegible] company-owned [illegible] tion [illegible] and [illegible] employment by almost 40 per cent, from about 10,400 to 6,400.

Mr Tuve Johannesson, president and chief executive, [illegible] the market outlook for this [illegible] mixed, [illegible] real improvement in Europe was expected until late [illegible] year [illegible] in early [illegible].

[illegible] Equipment this week reported fourth-quarter net profits of $18.4m, [illegible] $1.06, against a loss of $2.78m, or [illegible] cents, [illegible] earlier.

Low prices take toll on Kaiser

By Laurie [illegible]

[illegible] Aluminum, [illegible] US aluminium [illegible] and pro[illegible] of aluminium products, [illegible] a fourth-quarter oper[illegible] of [illegible] a [illegible]. This [illegible] with an operating gain [illegible] $4.4m or 7 [illegible] per share in [illegible] previous fourth quarter.

[illegible] for [illegible] quarter dipped to $415.9m, from [illegible] a [illegible] ago.

For the year, Kaiser [illegible] an operating [illegible] of $123.4m, or $2.15, compared with operating [illegible] of [illegible], or $1.57, in [illegible] 1992.

[illegible] for the year [illegible] $1.7bn, down from $1.9bn a [illegible].

Although Kaiser, like most other US aluminium producers, reduced plant capacity and engaged in [illegible] cutting measures in 1993, low prices, [illegible] oversupply, [illegible] the company's [illegible] Mr George Haymaker, chairman.

[illegible] is 67-per [illegible] by [illegible] natural [illegible], Maxxam. Although [illegible] products [illegible] made [illegible] profits in the fourth quarter, [illegible] results were swamped by [illegible].

Maxxam reported [illegible] net fourth-quarter [illegible] or $6.71, on [illegible], compared [illegible] of $10.3m, [illegible] $1.09, on [illegible] of [illegible] a year [illegible].

3M shares hit by stagnant figures

By Laurie Morse in Chicago

[illegible], the Minnesota-based diversified adhesive, magnetic tape and medical products manufacturer, [illegible] in [illegible] quarter. The [illegible] reported [illegible] quarter [illegible] $1.33 [illegible] share, [illegible] changed from [illegible] $1.33, [illegible] year [illegible].

Sales for the quarter [illegible] $3.5bn, compared [illegible] $3.4bn [illegible] year earlier.

[illegible] company said [illegible] while [illegible] volume [illegible] by 8 per cent in the quarter, selling prices dipped [illegible] cent, with the strong [illegible] affecting [illegible] sales. Currency fluc[illegible] reduced [illegible] by an estimated [illegible], [illegible] 10 [illegible] share.

Mr Giulio Agostini, [illegible] officer, [illegible] company's [illegible] quarter [illegible] year might also be flat, or fail [illegible] match [illegible] year. 3M's fourth-quarter perfor[illegible] earnings sent the company's [illegible] down $4½ to [illegible] on Wall [illegible] midday.

For the year, [illegible] income [illegible] $1.26bn [illegible], up from $1.23bn [illegible] in [illegible] for [illegible] year [illegible] $14bn, [illegible] from $13.88bn [illegible] year.

Mr Agostini [illegible] the company's cost-cutting measures were proceeding ahead of schedule. [illegible] expected [illegible] 5,000 jobs by [illegible] of [illegible].

The [illegible] projects sales growth to continue [illegible] a moderate [illegible] per cent to 7 per cent in 1994.

Sara Lee sets record

[illegible] Lee, the US food [illegible] yesterday announced record [illegible] and earnings for [illegible] quarter [illegible] January 1 [illegible] but [illegible] results for the third quarter would be below analyst estimates, agencies report.

Mr John Bryan, chairman, [illegible] European hosiery and knit products operations and weaker-than-expected [illegible] for [illegible] hosiery and knit products.

However, earnings for the full [illegible] expected [illegible] record levels. Last year, earnings per share were $1.40.

Net sales for the second quarter [illegible] $4bn, against $3.8bn [illegible] year, while net income for the quarter [illegible] $236m from $220m. Earnings per share increased [illegible] from [illegible] cents a year ago.

For the [illegible] year, [illegible] income advanced [illegible] per [illegible] to [illegible] against [illegible] before an accounting change in the [illegible] quarter [illegible] fiscal [illegible].

Half-year sales [illegible] $7.8bn, up 5 per cent.

General Dynamics shows improvement

By Frank McGurty

General Dynamics, the [illegible] contractor, revealed improved fourth-quarter operating earnings [illegible] spite of [illegible] sharp [illegible] in revenues.

[illegible] on continuing operations was $64m, or $2.02 a share, on [illegible] of $779m.

[illegible] corresponding period of [illegible] comparable [illegible] earnings were $60m, [illegible] share, after stripping out [illegible] and an after-[illegible] gain of $14m on the [illegible] of securities.

Earnings [illegible] period were struck on [illegible] of $911m. This was [illegible] per cent greater than the comparable [illegible] figure.

Results for both periods exclude contributions by the company's space [illegible] division, [illegible] General Dynamics agreed [illegible] month to [illegible] Marietta for [illegible] in cash.

Mr James Mellor, president and chief executive, said [illegible] company's long-term outlook had improved.

"Our low [illegible] and year-end cash balance of [illegible] provide [illegible] liquidity and financial capacity [illegible] build [illegible] value of General Dynamics going forward," [illegible] Mellor said.

For the full year, earnings from continuing operations [illegible] on sales of $3.2bn, compared with earnings of [illegible] and marginally higher [illegible] earlier.

Total net earnings in [illegible] were [illegible], including a $645m gain on the sale of the aircraft business. [illegible] 1992, [illegible] earnings totalled $815m, including a gain of [illegible] on the sale of [illegible] variety of [illegible] operations.

INTERNATIONAL COMPANIES AND FINANCE

Telefonica pre-tax profits rise 7%

[redacted] Tom Burns in [redacted]

Telefonica, Spain's government-controlled telecommunications group, raised [redacted] parent company's 1993 pre-tax profits by 7 per cent to Pta107.5bn ($796m) and claimed it had improved the financial struc[redacted] of its balance sheet in spite of slack demand [redacted] year.

However, extraordinary provisioning for [redacted] brought [redacted] profits down to Pta84.7bn, a [redacted] per cent increase on its 1992 net result.

Telefonica, which is the [redacted] liquid stock [redacted] the Madrid exchange and [redacted] nearly 30 per cent owned by foreign institutions, earned considerable one-off fiscal concessions [redacted] the run up to Barcelona's Olympic games [redacted]

The group's results, which will incorporate its profitable Telefonica Internacional division and [redacted] in March, [redacted] expected [redacted] a consolidated net profit rise of 8 [redacted] cent according [redacted] analysts' forecasts.

The parent company said [redacted] from telephone [redacted]vices [redacted] grown by 5.7 per cent to Pta1,220bn, [redacted] lowest increase for several years. However, the fall [redacted] had been compensated by the growth of new products such [redacted] mobile telephony and data transmission as well [redacted] by raised service charges.

In spite [redacted] lowered demand Telefonica strengthened its balance sheet by reducing [redacted] borrowing requirements by more than Pta98bn during [redacted] to bring its [redacted] down by 5.3 per cent at [redacted] year-end [redacted] by adding [redacted] to capi[redacted] reserves, chiefly through the conversion [redacted] a 1988 $200m Euromarket bond issue.

[redacted] increased by only [redacted] per cent, three points [redacted] than [redacted] last year, due to expenditure control. [redacted] increased [redacted] cent [redacted]

The [redacted] balance sheet will [redacted] Telefonica face the deregulation [redacted] in the [redacted] ahead by developing business [redacted] and forging alliances. Telefonica [redacted] an agree[redacted] with [redacted] (which incorporates the Swedish, Swiss and Dutch national telephone companies) last month and it is examining projects in cable TV and multi-media.

Spain has been granted an extension to the deregulation of telecommunications in the [redacted] 1998. [redacted] five [redacted] trans[redacted] were awarded by the government last [redacted] and [redacted] telephony [redacted], one [redacted] will be for Telefonica, are [redacted] granted later [redacted] year.

San Miguel lifted by net capital gains

By Jose Galang in [redacted]

San Miguel, the Philippines' largest industrial enterprise, has reported unaudited consolidated net profits for [redacted] of 3.9bn pesos ($139m), [redacted] increase of 8 per [redacted] previous year.

The amount included net capital gains from its [redacted] per cent holdings in Magnolia Corp, its food subsidiary, [redacted] Nestlé of Switzerland.

Excluding the non-recurring items, consolidated [redacted] income fell by 7 per cent [redacted] 3.4bn pesos, the company said.

Sales volumes improved by 2 per [redacted] Much of the rise [redacted] in the second half [redacted] first-half declines caused by soft markets owing [redacted] typhoons that hit the country.

Local sales of beer, San Miguel's main revenue centre, were [redacted] a plateau, although the company's international beer operations expanded into China and Indonesia.

San Miguel said it [redacted] earmarking 10bn pesos this year for expansion and modernisation.

Chugai posts 16% advance to Y17bn

By [redacted] in Tokyo

Chugai, [redacted] Japan's [redacted] growing drugs groups, yesterday [redacted] its pre-tax profits [redacted] per cent to Y17bn ($157.4m) for [redacted] year [redacted] December 31.

The improvement, in spite of slack growth [redacted] the Japanese [redacted] market, [redacted] achieved [redacted] sales up 5 per [redacted] Y151bn. [redacted] group expects [redacted] report full details in February.

The profits growth [redacted] achieved through improved product mix, [redacted] in particular through increased sales of high-margin prescription products, said Chugai.

The company predicted it would increase [redacted] dividend [redacted] the year by Y1 [redacted] Y10 per share. Pre-tax profits would increase [redacted] per cent [redacted] during 1994 on [redacted] up [redacted] per cent [redacted] Y160bn, [redacted] said.

Although [redacted] had risen, sales [redacted] increased faster, Chugai said.

[redacted] First Boston in Tokyo said this [redacted] part of [redacted] wider trend of margin improvement in [redacted] Japanese drugs [redacted]. The introduction last year of rules limiting [redacted] promotion [redacted] doctors had reduced marketing [redacted] according [redacted] the broker. [redacted] predicted the leading [redacted] drugs groups [redacted] operating profits [redacted] 9.7 [redacted] over the [redacted] years.

The drugs group said [redacted] products had done particularly [redacted] year. Epogin, [redacted] ment for anaemia licensed from [redacted] Institute [redacted] the [redacted] Neutrogin, a drug [redacted] increase levels [redacted] white blood [redacted] cancer patients receiving chemotherapy.

[redacted] pharmaceu[redacted] analyst [redacted] Capel [redacted] Tokyo, [redacted] Epogin generated [redacted] year of Y28.4bn, while [redacted] gin were about Y17.7bn.

[redacted] said [redacted] the-counter non-prescription products [redacted] fallen.

According [redacted] analysts, sales of Gronsan, [redacted] drink for fatigue, [redacted] likely [redacted] have fallen, [redacted] of [redacted], a vitamin product, [redacted] probably [redacted] flat.

Mitsui signs multi-media deal with NET

By Paul Abrahams

Mitsui, Japan's second-largest trading house, yesterday cemented another [redacted] its multi-media ambitions when it [redacted] with Network Equipment Technologies, [redacted] munications equipment manufacturer.

Last year, Mitsui's Adamnet subsidiary began building its multi-media expertise aimed at providing [redacted] services from installation to management. The [redacted] Mitsui [redacted] sole agent in Japan for three [redacted]. The company will invest [redacted] million dollars [redacted] development to adapt the US technology for Japan.

[redacted] strong [redacted] local [redacted] technology. [redacted]pany is developing an expertise in asynchronous transfer mode, which [redacted] rapid transmission of the text, [redacted] and visuals necessary for multi-media communications.

Mitsui projected sales for the 1994 financial year of Y1bn, and Y4bn within three years.

Thai Farmers Bank strengthens to Bt8bn

By Victor [redacted] in Bangkok

Thai Farmers Bank (TFB), Thailand's second largest bank and the first to report last year's full results, yesterday announced [redacted] per cent [redacted] in net profits to Bt7.94bn ($313.8m) in 1993 from Bt5.21bn [redacted] 1992.

TFB's earnings surpassed the estimates of [redacted] stock market analysts, and [redacted] fig[redacted] suggest that the country's unofficial cartel of 15 [redacted] cial banks has weathered [redacted] campaign by [redacted] central [redacted] to reduce wide spreads between banks' lending and deposit rates.

Since [redacted] start [redacted] year, Thai [redacted] have lost billions of dollars of lending business [redacted] the Eurobond market, where Thai companies [redacted] borrow [redacted] much lower rates than [redacted] home.

Thai banks, however, have profited from [redacted] very low [redacted] funds caused by high liquidity, especially in [redacted] quarter of [redacted] year, [redacted] higher lending to [redacted] as [redacted] Thai economy grows at about 8 per cent a year.

[redacted] 21 [redacted] Bt361.96bn [redacted] from [redacted] in 1992, and the company predicted outstanding loans would [redacted] further [redacted] year. [redacted] last year to [redacted] in [redacted]

Pre-tax profit was up 53 per [redacted] compared with [redacted] the previ[redacted] year, [redacted] earnings [redacted] share [redacted] to [redacted] from [redacted]

[redacted] Thai authorities want to expose Thai banks to more foreign competition by increasing the opportunities in Thailand for foreign banks with [redacted] or [redacted] banking [redacted]. [redacted] the [redacted] will [redacted] gradual enough to [redacted] domestic banks [redacted] improve [redacted] efficiency.

"We [redacted] overly [redacted] quite frankly by foreign competition," said Mr [redacted] ghakowin, president [redacted] Bank of Asia, recently. "I'd like to see a foreign bank competing profit[redacted] in Ubon [redacted]"

INTERNATIONAL CAPITAL MARKETS

Poor auction result lowers prices of long-dated gilts

By Antonia Sharpe in London and Frank McGurty in New York

UK government bonds fell [illegible] one point [illegible] long end yesterday in the [illegible] Wednesday's poorly-received £2.75bn [illegible]. There were also reports that some marketmakers [illegible] quite a [illegible] the new [illegible] on their books.

There [illegible] some concerns in the market [illegible] the forthcoming [illegible] in inflation though analysts [illegible] that the underlying [illegible] would stay within the government's 4 [illegible] ceiling.

[illegible] long gilt future on Liffe traded at 118$\frac{1}{32}$ in [illegible] afternoon, [illegible] $\frac{3}{4}$ on the [illegible] and [illegible] an intraday high [illegible] 119$\frac{3}{32}$.

Some [illegible] said that [illegible] market was likely [illegible] once [illegible] overhang [illegible] auction had disappeared.

■ [illegible] government [illegible] futures [illegible] par in [illegible] trading as the [illegible] publication [illegible] M3 data [illegible] early next week. The bund future on Liffe fell from an intraday high of 100.31 to 99.94 in the late afternoon, down 0.44 point from Wednesday's close. Cash bonds were also lower, with the benchmark 6.0 per cent 10-year bund dropping to 101.60 from 101.89 late on Wednesday.

■ French government bonds eased after the Bank of France left its intervention rate unchanged at 6.20 per cent at its securities repurchase tender yesterday. A small decline in call money earlier in the weak had raised some dealers's hopes of a modest cut.

The Bank's targets for average annual M3 growth, of around 5 per cent over about four years, were in line with expectations and failed to stimulate the bond market.

Analysts said the market was in a defensive mood in the wake of this week's issue of

GOVERNMENT BONDS

FFr22bn worth of state-guaranteed [illegible]. In addition, [illegible] week's OAT auction was expected to raise a similar amount.

There were also signs that [illegible] seeking [illegible] switch out [illegible] French government bonds into the [illegible] bloc. The [illegible] 10-year bond future on [illegible] at 130.20 [illegible] afternoon, down [illegible] point [illegible] day.

■ Italian government bonds tumbled [illegible] on a combination of profit-taking and growing uncertainty ahead of the forthcoming general election.

Dealers noted that an opinion poll published yesterday suggested [illegible] support had shifted away from the left towards the right-wing and centre parties.

[illegible] March future on Liffe fell from the day's high of 11.72 to [illegible] 118.12 in [illegible] late afternoon, down 0.44 point on the day.

■ Japanese government bond and futures prices rose in Tokyo trading as their recent weakness encouraged some bargain-hunting. The March futures rose as high as 114.31 before closing at 114.25, up 0.65 on the day. In London, [illegible] future rose [illegible] high [illegible] 114.53.

However, Mr David [illegible] Daiwa Europe noted that political [illegible] economic uncertainty [illegible] hung over [illegible]. Investors generally [illegible] cautious ahead of any [illegible] on the third supplementary budget for fiscal 1993.

In addition, [illegible] still unclear [illegible] would [illegible] an agreement [illegible] political reform, leaving a [illegible] general [illegible] possibility.

■ [illegible] of steady growth in factory [illegible] the US Treasury bond market yesterday morning, as [illegible] held their positions ahead [illegible] today's estimate of fourth-quarter gross domestic product.

By midday, [illegible] benchmark 30-year government [illegible] was off [illegible] at 98$\frac{1}{32}$, with the yield edging up [illegible] 6.306 per [illegible]. At [illegible] short end, the two-year note [illegible] unchanged at [illegible], to yield [illegible].

[illegible] across [illegible] yield curve showed little movement despite the Commerce Department's announcement [illegible] a 2.2 [illegible] cent increase in factory [illegible] goods [illegible] month.

[illegible] was [illegible] to news [illegible] drop in weekly [illegible] for unemployment [illegible] cold [illegible].

Despite [illegible] fifth consecutive monthly increase in the durable goods data, [illegible] be [illegible] a harbinger [illegible] inflation, the [illegible] was sitting tight ahead [illegible] today's GDP [illegible].

[illegible] were [illegible] growth in [illegible] final [illegible] months of [illegible] year than in establishing a [illegible] for gauging [illegible] economy's pace in [illegible] current quarter. An [illegible] exceeding a growth [illegible] expected [illegible] trigger a [illegible].

Liffe plans futures only for Mid 250

By Tracy Corrigan

[illegible] London International [illegible] Futures & Options Exchange (Liffe) plans initially [illegible] launch only futures con[illegible] on the FT-SE Mid [illegible] index, postponing the introduc[illegible] of options, according [illegible] the exchange [illegible] have [illegible] recent meetings at Liffe [illegible].

They [illegible] said [illegible] being rushed into an announcement by the [illegible] of OMLX, [illegible] London-based equity [illegible] exchange, to launch [illegible] flexi[illegible] and options [illegible] index [illegible] February 4. Last November, [illegible] London [illegible] Exchange surprised [illegible] by awarding both [illegible] OMLX a [illegible] to trade deriv[illegible] on the index [illegible] medium-[illegible] UK companies.

Mr [illegible] Hodson, Liffe's chief executive confirmed yesterday: "We are considering just doing [illegible]. [illegible] believe [illegible] in this [illegible] in [illegible] futures."

Liffe [illegible] are expecting an [illegible] shortly [illegible] a [illegible] will [illegible] to [illegible] Liffe [illegible] floor in the [illegible] month [illegible] so.

"If [illegible] had [illegible] appeared on the [illegible], Liffe [illegible] still be waiting, but [illegible] hand [illegible] been forced," said [illegible] member.

Some [illegible] members [illegible] expressed [illegible] at [illegible] delay in announcing [illegible] plans for the contract, given [illegible] growing activity in [illegible] underlying stock market and [illegible] speedy reaction of OMLX. However, others said they [illegible]ported [illegible] view that [illegible] ground [illegible] the [illegible] preparation.

Ontario FRN proves popular

By Conner Middelmann

[illegible] Eurobond [illegible] was unanimous in [illegible] the [illegible] debt offering from [illegible] Ontario, which eclipsed most other deals in yesterday's active [illegible]sion.

[illegible] long-awaited global [illegible] FRN, launched only three days after its C$1.25bn fixed-rate 30-year bond issue, met such strong demand that it was increased to $2bn from the initial $1.5bn in the early afternoon.

The notes – Ontario's first [illegible] – have a 5½-year maturity [illegible] priced [illegible] yield eight [illegible] points above three-month Libor [illegible] the re-of[illegible] price. Lehman [illegible] and Merrill Lynch arranged the issue.

The pricing [illegible] the deal was seen as appropriate, with [illegible] suggesting [illegible] could [illegible] been a little tighter. The day's other [illegible] dollar [illegible] five-year issue for Crediop Overseas Bank via CS First Boston. The notes were priced to yield 23 basis points over Libor at the re-offer price, which many [illegible]

INTERNATIONAL BONDS

basis points too tight. An official with the lead manager conceded the pricing was aggressive, adding that "this was a pre-emptive deal – it gave us an opportunity to take a position and wait for spreads to come in".

In the domestic sterling bond market, LAB Investments, [illegible] up to acquire and [illegible] registered loan instruments [illegible] by local authorities, [illegible] £85m of 25-year [illegible] via NatWest Capital [illegible]. According [illegible] the lead manager, the deal met strong demand from UK life [illegible] companies [illegible] pension [illegible]. The [illegible] is [illegible] by [illegible] issued by the London Borough of Enfield, [illegible] City [illegible] and the City [illegible] York. The [illegible] priced to yield [illegible] points [illegible] the gilt [illegible] 2017; [illegible] spread had [illegible] 68 [illegible] points [illegible] close.

In [illegible] guilder sector, the Republic of Austria [illegible] Fl1bn [illegible] 30-year [illegible] per cent [illegible] yielding 16 basis points [illegible] Dutch 30-year benchmark [illegible]. The [illegible] was [illegible] Amro Bank.

LKB Baden-Württemberg [illegible] L300bn of [illegible] per cent 10-year [illegible] Credito Italiano. [illegible] lira [illegible] to [illegible] from [illegible]ply, the [illegible] manager reported good buying by Swiss and [illegible]ian institutions and [illegible] the deal [illegible] helped by [illegible] paper's yield pick-up over other, recently issued lira bonds.

Meanwhile, Portugal [illegible] expected to issue an Ecu750m 10-year global bond early next week, with Banque Paribas, Dresdner Bank and Morgan Stanley tipped as joint lead managers. The bonds are expected to yield 30-35 basis points above the 6 per cent Ecu OAT due 2004.

NEW INTERNATIONAL [illegible] ISSUES

[illegible]	Amount m.	Coupon	Price	Maturity	Fees %	[illegible]	Book runner
[illegible] DOLLARS							
[illegible]	2bn	(a)	99.595R	[illegible]	[illegible]	-	Lehman [illegible] Lynch
Crediop [illegible] Bank(Cay)‡	200	[illegible]	[illegible]	[illegible]	[illegible]	-	[illegible]
Tam Fat Hing Fung(c)*§#	80	[illegible]	100.00	[illegible]	-	-	SG Warburg & Co. Geneva
D-MARKS							
WGZ‡	200	(d)	[illegible]	[illegible]	[illegible]	-	[illegible]
FRENCH FRANCS							
CCCI	2bn	6.00	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
DSL [illegible]	1.5bn	5.75	98.67R	Feb.2004	[illegible]	[illegible] (6¾%-04)	Deutsche Bank [illegible]
[illegible] DOLLARS							
[illegible]	200	6.50	[illegible]	[illegible]	0.325R	[illegible]	[illegible] Europe
[illegible]							
Republic of Austria	1bn	6.25	[illegible]	[illegible]	[illegible]	+16 (7¼%-23)	ABN Amro [illegible]
ITALIAN LIRE							
LKB Baden-Württemburg Fin.	300bn	7.80	[illegible]	Mar.2004	2.00	-	[illegible]
HONG KONG [illegible]							
EBRD	500	5.65#	[illegible]	[illegible]	0.25R	-	IBJ [illegible]

Final terms and non-callable unless stated. The yield spread (over relevant government bond) at launch is supplied by the lead manager. *Private placement. §Convertible. ‡Floating rate note. #Semi-annual coupon. R: fixed re-offer price; fees are shown at the re-offer level. a) Coupon: 3-mth Libor flat. b) Coupon: 6-mth Libor +0.15%. c) Fixing: 2/2/94. Conv prem 10-15%. Callable, subject to 130% rule and 110% gross parity rule, from 25/2/94 at par. Puttable on 24/2/98 at T + 75-125bp and annually thereafter at prices set annually. d) Coupon: 7% fxd for 1st yr, 3-mth Libor flat for next 6 yrs and 7¼% fxd thereafter.

Second 'futures-type' offering from Citibank

By Tracy Corrigan

Citibank [illegible] launched its [illegible] offering of bonds with [illegible] futures [illegible] pro[illegible] to enhance returns.

[illegible] structure is designed [illegible] investors who are not comfortable with buying, [illegible] not allowed to buy, futures funds outright. [illegible] funds, [illegible] highly leveraged, [illegible] much higher [illegible] than conventional [illegible] the long-term, but are [illegible] volatile, and [illegible] rapidly.

The concept is similar [illegible] guaranteed fund. Around 80 per cent of the proceeds of the offering [illegible] buy securi[illegible] by AAA-rated supranational and [illegible] institutions, while the remain[illegible] 20 per cent is [illegible] in a multi-adviser trading account operated by Kenmar Global Strategies, a trading [illegible]. The [illegible], which has [illegible] operating [illegible] had an annual compound [illegible] of return of approximately 40 per [illegible].

The [illegible] designed [illegible] pay a [illegible] minimum coupon which declines [illegible] the life of [illegible] issue, as [illegible] gains from [illegible] trading programme kick in. There [illegible] a maximum [illegible]pon level. Any cumulative [illegible] trading gains are retained [illegible] the trading [illegible] reinvested and potentially [illegible] enhance the capital value of [illegible].

The [illegible] new [illegible] (Key[illegible] Floating, Keynote US Fixed [illegible] Keynote D-mark), totalling [illegible] equivalent, are structured [illegible].

WORLD BOND PRICES

BENCHMARK GOVERNMENT BONDS

		Coupon	Red Date	[illegible]	Day's [illegible]	[illegible]	Week [illegible]	[illegible]
Australia		9.500	08/04	[illegible]	[illegible]	6.18	[illegible]	[illegible]
Belgium		7.250	04/04	[illegible]	[illegible]	[illegible]	[illegible]	6.36
[illegible] *		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Denmark		7.000	[illegible]	107.3700	[illegible]	[illegible]	5.97	[illegible]
France	BTAN	[illegible]	05/98	110.7700	-	5.12	5.05	[illegible]
	[illegible]	[illegible]	10/03	107.3100	[illegible]	5.74	[illegible]	[illegible]
Germany		[illegible]	09/03	101.6500	[illegible]	[illegible]	5.66	[illegible]
Italy		[illegible]	[illegible]	[illegible]	[illegible]	8.41†	8.35	[illegible]
Japan	No 119	[illegible]	06/99	[illegible]	[illegible]	[illegible]	2.71	[illegible]
	No 157	[illegible]	06/03	[illegible]	+0.530	3.39	3.40	3.04
Netherlands		[illegible]	[illegible]	100.3000	-0.140	5.71	5.65	5.51
Spain		10.500	10/03	117.5500	[illegible]	7.85	[illegible]	[illegible]
UK [illegible]		9.750	01/98	113-29	[illegible]	[illegible]	[illegible]	[illegible]
		[illegible]	[illegible]	[illegible]	[illegible]	6.29	[illegible]	6.11
		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	6.42	[illegible]
[illegible] Treasury *		[illegible]	08/03	[illegible]	+5/32	5.71	5.69	[illegible]
		6.250	08/23	[illegible]	-17/32	[illegible]	6.28	[illegible]
[illegible] (French [illegible])		6.000	[illegible]	99.9300	[illegible]	[illegible]	[illegible]	[illegible]

London closing. *New York mid-day. Yields: Local market standard. † Gross annual [illegible] including withholding tax at 12.5 per cent payable by nonresidents) [illegible] UK [illegible] decimal [illegible]

BOND FUTURES AND OPTIONS

France

■ NOTIONAL FRENCH BOND FUTURES (MATIF)

	Open	Sett price	Change	[illegible]	Low	Est. vol.	Open int.
Mar	[illegible]	130.32	-0.06	[illegible]	[illegible]	[illegible]	[illegible]4,254
Jun	130.06	129.86	-0.08	130.10	129.88	1,160	11,747
Sep	129.95	[illegible]	[illegible]	[illegible]	129.26	2	1,472

■ LONG TERM FRENCH [illegible] OPTIONS [illegible]

Strike Price	CALLS Feb	Mar	Jun	PUTS Feb	Mar	Jun
128	-	2.40	-	-	0.07	[illegible]
129	-	-	-	-	0.18	0.63
130	-	0.79	1.14	-	0.46	1.23
131	-	0.30	0.72	-	[illegible]	-
132	-	0.10	0.41	-	-	-
133	-	0.03	0.22	-	-	-

Est. vol. total, Calls 25,[illegible] Puts 16,305. Previous day's open int., Calls 309,440 Puts 376,422.

Germany

■ NOTIONAL GERMAN BUND FUTURES (LIFFE)* DM250,000 100ths of 100%

	Open	Sett price	Change	[illegible]	Low	Est. vol	Open int.
Mar	[illegible]	[illegible]	[illegible]	[illegible]	99.90	125500	[illegible]
Jun	[illegible]	99.90	[illegible]	[illegible]	99.90	294	4614

■ BUND FUTURES OPTIONS (LIFFE) DM250,000 points of 100%

Strike Price	CALLS Mar	Jun	[illegible] Mar	Jun
9950	0.68	1.15	0.25	0.75
10000	0.39	0.87	0.46	[illegible]
10050	0.21	[illegible]	0.78	[illegible]

Est. vol. total, Calls 14469 Puts 6695. Previous day's open int., Calls 237119 Puts 167386

■ NOTIONAL MEDIUM TERM GERMAN GOVT. BOND (BOBL)(LIFFE)* DM250,000 100ths of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	103.02	102.86	-0.07	103.02	102.87	407	9484

Italy

■ NOTIONAL ITALIAN GOVT. BOND (BTP) FUTURES (LIFFE)* Lira 200m 100ths of 100%

	[illegible]	Sett price	Change	High	[illegible]	Est. vol	[illegible]
Mar	[illegible]	[illegible]	-0.51	118.72	118.02	38114	[illegible]
Jun	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	291	[illegible]

■ ITALIAN GOVT. BOND (BTP) FUTURES OPTIONS (LIFFE) Lira200m 100ths of 100%

Strike Price	CALLS Mar	Jun	PUTS Mar	Jun
11800	0.97	[illegible]	0.32	[illegible]
11850	0.75	2.12	1.20	2.35
11900	0.54	1.89	1.49	[illegible]

Est. vol. total, Calls 1933 Puts 1109. Previous day's open int., Calls 56053 Puts 53214

Spain

■ NOTIONAL SPANISH BOND FUTURES (MEFF)

	Open	Sett price	Change	High	Low	Est. vol.	Open int.
Mar	[illegible]	106.40	[illegible]	[illegible]	[illegible]	31,495	[illegible]
Jun	106.70	106.21	-	[illegible]	106.40	205	[illegible]

UK

■ NOTIONAL UK GILT FUTURES (LIFFE)* £50,000 32nds of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	119-08	118-05	-0-29	119-09	118-00	105969	105217
Jun	-	117-17	-0-29	-	-	0	693

■ LONG GILT FUTURES OPTIONS (LIFFE) £50,000 64ths of 100%

Strike Price	CALLS Mar	Jun	PUTS Mar	Jun
118	0-58	1-35	0-48	2-01
119	0-31	1-09	1-21	2-39
120	0-14	0-51	2-04	3-17

Est. vol. total, Calls 3499 Puts 5913. Previous day's open int., Calls 97854 Puts 70950

Ecu

■ ECU BOND FUTURES (MATIF)

	[illegible]	Sett price	[illegible]	High	Low	[illegible]	[illegible]
Mar	121.40	121.14	-0.16	121.46	121.12	1,760	[illegible]
Jun	-	[illegible]	-0.16	-	-	-	[illegible]

US

■ US TREASURY BOND FUTURES (CBT) $100,000 32nds of 100%

	Open	[illegible]	Change	High	[illegible]	[illegible] vol.	Open int.
Mar	[illegible]	[illegible]	+0-06	116-16	116-02	[illegible]	329,676
Jun	115-00	115-04	+0-06	115-13	115-03	1,837	[illegible]
Sep	114-01	114-05	+0-06	114-06	114-01	548	[illegible]

Japan

■ [illegible] LONG TERM [illegible] GOVT. [illegible] FUTURES [illegible]

	Open	Close	Change	[illegible]	[illegible]	Est. vol	Open int.
Mar	114.24	-	-	[illegible]	114.10	2597	[illegible]

* LIFFE contracts traded on APT. All Open Interest figs. are for previous day.

FT-ACTUARIES FIXED INTEREST INDICES

Price Indices UK Gilts	Thu Jan 27	Day's change %	Wed Jan 26	[illegible]	xd adj. ytd		Low coupon yield Jan 27	Jan 26	Yr. ago	Medium coupon yield Jan 27	Jan 26	Yr. ago	High coupon yield Jan 27	Jan 26	Yr. ago
1 Up to 5 years (26)	129.04	-0.02	129.07	1.40	[illegible]	5 yrs	5.71	5.67	6.59	5.94	5.90	7.11	6.03	6.00	[illegible]
[illegible] (21)	151.36	-0.30	151.85	1.71	[illegible]	15 [illegible]	6.47	6.42	[illegible]	6.54	6.50	8.59	6.73	6.70	[illegible]
3 [illegible] (8)	187.96	-0.34	188.59	1.18	1.84	20 yrs	6.55	6.52	8.46	6.58	6.54	8.62	[illegible]	6.72	[illegible]
[illegible] (6)	227.43	-0.24	227.98	2.32	[illegible]	Irred.†	6.62	6.61	[illegible]						
5 [illegible]	158.15	-0.22	158.50	1.54	[illegible]										

Index-linked							Inflation [illegible] Jan 27	Jan 26	Yr. ago	Inflation [illegible] Jan 27	Jan 26	Yr. ago
[illegible] Up [illegible] 5 years (2)	191.11	[illegible]	191.14	1.81	0.00	Up [illegible] 5 [illegible]	2.27	2.26	[illegible]	[illegible]	[illegible]	[illegible]
7 [illegible] years (11)	191.82	[illegible]	192.48	0.55	[illegible]	[illegible] 5 yrs	[illegible]	2.91	3.70	2.76	[illegible]	[illegible]
[illegible] All stocks (13)	190.81	-0.31	191.40	0.65	[illegible]							

Debentures and Loans						5 year yield Jan [illegible]	Jan 26	Yr. ago	[illegible] year yield Jan 27	Jan 26	Yr. ago	25 year yield Jan 27	Jan 26	Yr. ago
9 [illegible] & [illegible] (68)	157.63	-0.30	158.11	2.79	0.39	7.43	7.40	8.66	7.52	7.49	9.70	7.59	7.55	[illegible]

Average gross redemption yields are shown above. Coupon Bands: Low: 0%-7¾%; Medium: 8%-10¾%; High: [illegible] and over. † Flat yield. ytd Year to date.

FT FIXED INTEREST INDICES

	Jan 27	Jan 26	Jan 25	Jan 24	Jan 21	Yr ago	High*	Low*
Govt. [illegible] (UK)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	94.88	[illegible]	[illegible]
[illegible]	132.83	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

* for 1993/94. Government Securities high since compilation: 127.40 (9/1/35), low 49.18 (3/1/75). Fixed Interest high since compilation: 133.87 (21/1/94), low 50.53 (3/1/75). Basis 100: Government Securities 15/10/26 and Fixed Interest 1928. SE activity indices rebased 1974

GILT EDGED ACTIVITY INDICES

	Jan 26	Jan 25	Jan 24	Jan 21	Jan 20
[illegible] Edged [illegible]	165.5	113.9	100.0	102.9	[illegible]
[illegible]	121.8	117.9	122.8	123.1	[illegible]

FT/ISMA [illegible]

Listed are the latest international bonds for which there is an adequate secondary market. Latest prices at 7:00 pm on January 27

	Issued	Bid	Offer	Chg.	Yield
U.S. DOLLAR STRAIGHTS					
Abbey Natl Treasury 6½ 03	1000	101⅛	101⅝	+⅛	6.29
AlbertaProvince 9⅜ 96	600	108⅛	108⅝	+⅛	[illegible]
Austria 8½ 00	400	114⅛	114⅝	+⅛	5.81
Bank of Tokyo 8⅜ 96	100	107⅝	108⅛	+⅛	[illegible]
Belgium 9⅝ 98	250	116½	116⅞	+⅛	[illegible]
United Kingdom 7¼ 97	5500	[illegible]	[illegible]	+⅛	[illegible]
Volkswagen Intl Fin 7 03	1000	104	104½	+⅛	6.41
World Bank 0 15	2000	[illegible]	29¼	+⅛	[illegible]
World Bank 5¾ 98	300	[illegible]	[illegible]		[illegible]
World Bank 8¾ 00	1250	117	117⅛	+⅛	[illegible]
Alliance Leics 11¾ 97 £	100	118⅛	118⅞	-⅛	6.05
British Gas 12¼ 95 £	300	107⅛	107⅛		[illegible]
British Land [illegible] 23 £	150	105⅛	[illegible]	-⅛	[illegible]
EIB 10 97 £	637	111⅝	112		5.70
Halifax 10⅛ 97 £	[illegible]	112⅛	112⅛		5.88
Hanson 10⅜ 97 £	[illegible]	112⅞	[illegible]	-⅛	[illegible]

UK GILTS PRICES

Notes	Yield Int	Red	Price £	+ or –	1993/94 High	Low
Shorts (Lives up to Five Years)						
Treas 8½pc 1994	8.46	-	100½xd	—	102[illegible]	100[illegible]
14½pc 1994‡‡	14.37	5.87	100⅞xd	—	109¼	100⅞
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

● "Tap" stock. ‡‡ Tax-free to non-residents on application. E Auction basis. xd Ex dividend. Closing mid-prices are shown in pounds.

STRAIGHT BONDS: The yield is the yield to redemption of the bid-price; the amount issued is in millions of currency units. Chg. day=Change on day.
FLOATING RATE NOTES: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. Spread=Margin above six-month offered rate ([illegible] three-month [illegible] above mean rate) for US dollars. C.cpn=The current coupon.
CONVERTIBLE BONDS: Denominated in dollars unless otherwise indicated. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

COMPANY NEWS: UK

Interim profits ahead of forecasts and sales improving

MFI shows advance to £44.1m

By Neil Buckley

MFI Furniture produced a double surprise yesterday with interim profits above [illegible] City forecasts and [illegible] sales since Boxing Day [illegible] up 14 per cent on last year.

For the [illegible] weeks to November 6, pre-tax profits [illegible] £44.1m - including a [illegible] gain from the sale of MFI's stake in Carpetright - [illegible] pared with a [illegible] of £12m.

Excluding the Carpetright gain, and exceptional flotation costs of [illegible] time, pro forma profits almost doubled from [illegible] to £24.5m.

The shares gained 5p to 179p.

Mr Derek Hunt, chairman, said trading in the January sale had been encouraging - although [illegible] last year flattered [illegible] comparison - [illegible] he remained cautious.

"Two years [illegible] had a similar increase which disappeared by the year end," he said.

Cross margins fell from [illegible] per cent to 55.6 per cent, though wage [illegible] fell by £5m.

Trevor Humphries

Derek Hunt: trading in the January sale had been encouraging

Group turnover was up [illegible] per cent, from [illegible] to [illegible]. Like-for-like sales, which exclude store openings and closures, were up 7.2 per cent, with virtually no [illegible] inflation.

Two new [illegible] before the year-end - which will trade under the [illegible] Homeworks and [illegible] customer reaction to new products and ideas - will [illegible] chain to 178.

Total [illegible] in MFI's French division [illegible] up 30 per cent, with like-for-like sales up [illegible] per cent. Three openings should take the French chain to 51 stores by the year-end, with total [illegible] estimated at [illegible].

Borrowings fell from [illegible] to £39.7m, and gearing from [illegible] per cent to 28 per cent.

Earnings were 5p per share, including the Carpetright gain, and 2.8p excluding it, from 2.3p last year. The interim [illegible] is increased from 1.25p to 1.33p.

COMMENT

The good news from MFI provides grounds for optimism. The January sales increase led to forecasts of an 8 per cent improvement for the second half as a whole. The group should benefit from signs of a pick-up in the housing market, [illegible] the shift in the sales mix towards kitchens and bedrooms, which MFI manufactures itself, should help the gross margin. [illegible] contrasting figures from Next, Burton and [illegible] have highlighted the patchy [illegible] of the consumer recovery, and MFI admits it has seen false dawns before. A rejuvenated Magnet could also [illegible] a threat. Full-year forecasts, raised from about £60m to about [illegible] yesterday, put the shares on a demanding multiple of 22, although that [illegible] to about 18 on forecasts of [illegible] next year.

Sir Denys Henderson to join Rank board

By Peggy Hollinger

Rank Organisation yesterday ended more than a year of speculation by naming Sir Denys Henderson, head of ICI, as the leisure group's nominee chairman.

Sir Denys, who retires as ICI chairman in April next year, will become a non-executive director of Rank in March. After retiring from ICI, where he masterminded the demerger of the drugs group Zeneca, he will be appointed executive chairman of Rank. He will work part-time at the company's headquarters.

Sir Denys said yesterday he was delighted at the appointment. "I hope my experience in various different fields of business will enable me to make a tribute to the company's continuing success," he said.

He replaces Sir Leslie Fletcher, who took over as temporary chairman following the death of Mr Patrick Meaney in 1992. Sir Denys and Mr Patrick were close personal friends for many years, and the latter was also a director on the ICI board.

That friendship is likely to stand Sir Denys in good stead in his new post, which he will work closely with Mr Michael Gifford, Rank's blunt speaking chief executive. Both were named in a survey of Britain's toughest bosses.

Mr Gifford said he, too, was delighted at the appointment. Rank is believed to have been discussing Sir Denys's nomination for several months.

Sir Denys is also a director of RTZ and Barclays. Rank is carrying debt of almost £1bn, the legacy of the [illegible] takeover. It has already announced annual pre-tax profits up from [illegible] to £276.6m.

See Observer

Allied Textile makes £29m N American move

By Peter Pearse

Continuing its policy of overseas expansion, Allied Textile Companies, the textile manufacturer and processor, yesterday announced two acquisitions in North America for a combined consideration of about £29m in shares.

The group also revealed a [illegible] rise in pre-tax profits to £13.7m for the year to September 30. Shares rose 17p to 565p.

Mr Peter Honeysett, chairman, ascribed the group's ability to consistently lift its textile profits in a recession to "anticipating and constantly rationalising."

Mr John Corrin, chief executive, added that ATC had bought, sold or shut 34 [illegible] in the past 10 months, in response to market or product demand.

Mr Corrin said the rise in textiles profits to [illegible] had been greater than [illegible] in previous years because of the £[illegible] capital expenditure since 1991.

The companies acquired are Cleyn & Tinker, a Canadian maker of worsted cloth, and Carleton Woolen Mills, a US maker of wool and wool blend fabrics.

C&T raised operating profits from C$1.41m to C$3.32m in 1992 and sales to C$22.4m (£11.4m). ATC is paying C$33.2m in shares on a p/e of [illegible] for C&T, though this includes C$[illegible] to cover debt.

Carleton made $[illegible] ([illegible]) on turnover of $45.2m (£44.8m) in 1993. ATC is paying about $15.2m (£10.1m) via the issue of 1.5m new shares on a p/e of 7.7, plus the issue of up to 411,000 shares to the vendor, which are valued at £2.7m. Carleton has [illegible] of debt.

The two companies' combined debt, along with ATC's [illegible] acquisition of [illegible] Applications (Textiles) for about £6m, has all but wiped out the group's cash pile, which at the interim stage stood at £[illegible].

The consideration shares are to be placed at 550p on a 1-for-[illegible] basis.

Group turnover for the year slipped to £[illegible] (£128.1m); earnings grew to 33.2p (30.8p) per share; and the final dividend is lifted to 8.3p for a total of 12.9p (12.6p).

COMMENT

It is almost impossible to find a critic of the transatlantic acquisitions. Having stalked C&T for three years (and put continental European expansion on hold pending the acquisition), ATC has clearly done its homework. It waited for the [illegible] of Nafta and then Gatt - the 35 per cent tariff barrier is set to reduce by 1 point a year - it has paid a good price and is well geared and there should be no problems getting the paper away. Furthermore, the group's canny reputation has been enhanced by its growing [illegible]. Forecasts for the current year range from £16.5m to £[illegible] pre-tax for earnings of [illegible], giving a p/e of about 15, a discount to the market.

Japanese increase helps Unitech

By Paul Taylor

A sharply higher contribution from its Japanese subsidiary and positive currency movements helped Unitech, the international electronic components and controls group, lift interim pre-tax profits by 62 per cent.

Pre-tax profits jumped to £7.[illegible] in the six months to November [illegible], up from £4.55m, on turnover ahead by 23 per cent to £144.5m (£117.2m).

Exchange rate movements boosted pre-tax profits by £1.2m and added £6.1m to turnover.

Earnings per share increased by 18 per cent to 4p (3.4p) and the interim dividend is up from 2.1p to 2.24p.

The shares closed up 20p at 314p.

Commenting on the results, Mr Peter Curry, chairman, said: "Notwithstanding generally low demand and poor trading conditions in many of our markets, we are experiencing an improving sales trend in [illegible] regions."

Operating profits increased from £6.54m to £9.76m, boosted by substantial profit gains in both the power supplies and control products operations - partly offset by losses in the connectors division.

The power supplies division, which launched a new series of modular supplies last year, almost doubled its profits to £7.4m (£3.8m) with Nemic-Lambda, the [illegible] per cent-owned Japanese subsidiary, contributing £[illegible] (£1.5m).

The expanded control products division also doubled its profit contribution to £[illegible] (£1.3m) on sales of £[illegible] (£17.6m).

In contrast, the connectors division "had a difficult half-year" and incurred a £1m loss compared with a £900,000 profit.

COMMENT

Despite the setback in connectors, Unitech is starting to benefit from increasing returns on its recent investments in new products, acquisitions and geographic expansion. With its business split roughly equally between Europe, North America and Asia Unitech would be an early beneficiary of any general world economic upturn. Pre-tax profits this year should reach £[illegible] generating 9.1p in earnings, but the premium rating - the shares are currently trading on a prospective p/e of 34.5 - reflects its valuable holding in a listed Japanese company.

Queens Moat in talks with banks on roll-over terms

By Maggie Urry

Queens Moat Houses, the hotel group discussing a £1.3bn refinancing plan with its bankers, is in talks to extend its standstill agreement which expires on Monday.

It has also appointed two non-executive directors. The group has been without any non-executives since Mr David Howell and Mr John Gale resigned last November.

The roll-over of the standstill is unlikely to be opposed by the banks. However, there is some debate over the length of the extension.

The banks may prefer monthly roll-overs of the standstill, while the company would like an extension to the end of April, by which time it expects to have the accounts for 1993 finalised and given to creditors and shareholders.

Neither group can be expected to vote on restructuring proposals until they have seen the trading results for 1993 and the year-end balance sheet - which will incorporate a property revaluation.

The men just appointed - Mr Michael Beckett and Mr Richard Jewson - will sit on the remuneration and audit committees and attend two board meetings a month as well as being available when needed. They will each receive an annual fee of £[illegible], but will not have other incentive arrangements.

Mr Beckett, 57, is known as a troubleshooter and a "very independent" non-executive. He was a managing director of Consolidated Goldfields when it was taken over by Hanson in 1989. He has also been chairman of Ultramar, the oil group, and a non-executive director of Banks Hovis McDougall.

At RHM he worked with Stanley Metcalfe, who is now chairman of QMH, although he is understood to have been short-listed for a directorship before Mr Metcalfe joined the company. He is also chairman of Horace Clarkson, Watts Blake Bearne, Monarch Resources and a director of BPB Industries.

Mr Jewson, 49, was chairman and chief executive of Meyer International, the timber group, until it was decided to split the roles and his chairmanship ended last month. He is also a non-executive director of Anglian Water and the Eastern Counties Newspaper group.

Partco set to float in March

By Andrew Bolger

Partco, the biggest independent distributor of automotive parts and equipment in the UK, is to be floated in March with an estimated market value of £[illegible].

The company is raising £25m in a placing and intermediaries' offer in the second flotation recently announced in a rapidly consolidating sector. Finelist, a smaller competitor, will be floated next month with a capitalisation of about £25m.

Partco distributes car and commercial vehicle components, automotive paint and refinishing materials, and equipment for vehicle workshops. It expects to report a doubling of pre-tax profits to about £[illegible] for the year to December 31 on sales of £[illegible].

It delivers branded and own-label products to business customers from a 210-branch network which stretches from Cornwall to north-east Scotland.

Of those, 99 branches offer paints and bodyshop refinishing products, as well as other parts. The group has a central distribution warehouse in Northamptonshire.

Mr Peter Bellew, managing director, sees ample scope for expansion, both by acquisition and opening greenfield operations.

The group has only one branch in a city as big as Manchester and has identified 250 areas where it is not represented, yet have catchment populations of [illegible].

Partco was the product of a management buy-out from Quinton Hazell in 1986. The team turned round the loss-making business and in 1989 became the biggest independent distributor through the purchase of [illegible] Auto-parts in 1988.

The deal was completed just before the UK went into recession. By 1991 the group needed to swap equity for debt and close lossmaking outlets. Mr Bellew said this explained why its flotation "would not create any paper millionaires", although the executive team would end up with about [illegible] per cent of the enlarged equity between them.

Mr Gordon Yardley, a non-executive director of BTR, was appointed chairman of Partco in 1991.

The group is being advised by Hambro Magan, with Cazenove acting as brokers to the issue.

BSkyB considers financial restructure

By Raymond Snoddy

British Sky Broadcasting, the satellite television venture, is considering the possibility of a financial restructuring to repay some of the money invested by its shareholders.

BSkyB has been investigating with merchant banks the possibility of organising up to £[illegible] in non-recourse debt. The talks are, however, at an early stage and no decisions have yet been taken.

The aim of the financial [illegible] would be to repay some of the money the main shareholders - Mr Rupert Murdoch's News Corporation, Granada, Pearson, owners of the Financial Times and Chargeurs, the French transport and communication group - put into the venture.

BSkyB has moved into operating profit and last month made its first [illegible] payment to its shareholders with another similar payment expected before the end of the financial year. The company is still, however, incurring large pre-tax losses.

Warner Estate at £7.3m

By Simon Davies

Warner Estate Holdings, the property investment company, yesterday announced pre-tax profits of £7.3m for the year to September 1993, up from a restated £4.12m in 1992.

Turnover fell to £11m (£12.2m) as a result of a decline in property trading activity. A final dividend of 7.35p makes an 11p (10.5p) total.

Earnings [illegible] amounted to 11p and net asset value was £129.2m at the year end, or 286p (247p) a share.

The company has subsequently raised £[illegible] from the sale of its Catford Centre, and invested £17.4m in a large commercial property portfolio.

Anglesey Mining doubts

[illegible] remain about the financial position of Anglesey Mining, floated on the London Stock Exchange in 1988 to develop Britain's first base metals mine for decades at Parys Mountain, Anglesey, writes Kenneth Gooding.

Agreements with big creditors expire on March 31 and talks are making [illegible] to reach an [illegible] solution, says Mr Hugh Morris, chairman, in his interim report.

"All those involved have indicated their willingness to negotiate regarding a deferral of repayment," he adds.

The interim report shows that at September 30 Anglesey had £25,719 cash and amounts due within one year totalled £67,018. Net current liabilities were £149,774 and shareholders' funds £[illegible].

20% pay rise for Carlton chairman

By Raymond Snoddy

Mr Michael Green, chairman of Carlton Communications, was paid more than £[illegible] last year, an increase of just under 20 per cent.

Mr Green, who is in the process of becoming one of the most powerful people in UK television following Carlton's agreed takeover of Central, received only a 3.5 per cent increase on his basic salary.

The overall package included a bonus of £207,000 linked to the company's earnings per share record. This compared with a bonus of only £[illegible] last time.

The Carlton chairman and Joint [illegible] earned twice as much as the next highest paid directors. Three directors, presumably including Ms June de Moller, group managing director, and Mr Nigel Walmsley, chief executive of Carlton Television, earned between £300,000 and £315,000 in 1993.

In the annual report, published yesterday, Mr Green wrote of a significant year for the company, with turnover increasing to £1.09bn and pre-tax profits of £[illegible]. He emphasised that together Carlton and Central make up the largest part of the ITV network with 30 per cent of ITV advertising revenue and broadcasting to 36 per cent of the UK population.

Louis Newmark cuts loss

Pre-tax losses at Louis Newmark for the half year ended October 2 were cut from £[illegible] to £[illegible].

With the second half usually the stronger, [illegible] are expected to fall further.

Turnover for the company, which has interests in the manufacture of electronic instruments, machining and watch importing, increased to £12.2m, against £[illegible] which included £[illegible] from discontinued activities.

Sales from continuing operations rose 28 per cent with a sharp recovery in the capital goods businesses.

The company said that the pension fund had moved into surplus and that its annual provision would [illegible] be £160,000. This was [illegible] pro rata in the interim results.

Losses per share came out at 15.2p ([illegible]).

Reuters expands in US

Reuters, the business information and news group, has paid $[illegible] (£9.2m) to acquire a 79 per cent stake in Reality Technologies, a private US company which develops personal investment technology.

The investment includes the injection of new capital for Reality, which is based in Pennsylvania. The acquisition was made from an investor group led by Warburg Associates. Current management will remain in place and report to Reuters NewMedia in New York.

Reality markets its investment software and on-line services jointly with Time's Money magazine.

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corres-ponding dividend	Total for year	Total last year
Allied Textile	fin	8.3	Apr 1	8.1	12.9	12.6
Conti Assets	fin	3	Apr 14	2.4	3	2.4
Derby Trust	fin	2.96‡	Feb 28	-	17.9832	16.8346
Farepak	fin	1.85	Mar 3	1.65	-	5.75
Gresham Tele §	fin	0.27	May 11	0.25	0.27	0.25
MFI Furniture	int	1.33	Feb 25	1.25	-	3.75
Mlays	int	2.7	Apr 5	2.61	-	7.01
Partridge Fine	int	3	Apr 21	1.25	2.7	2.25
Prism Leisure §	int	1.15	Mar 5	0.9	-	3.27
Unitech	int	2.24	Apr 5	2.1	-	6.1
Warner Estate	fin	7.35	Apr 8	7	11	10.5
Witan	int	3.1	Mar 17	[illegible]	[illegible]	5.6

Dividends shown pence per share net. §USM stock. ‡Special interim.

Hopes of solution to Tate & Lyle's Staley dispute

By Robert Taylor, Labour Correspondent

Confronted by American labour protest at Tate & Lyle's annual meeting in London yesterday, Mr Neil Shaw, executive chairman, denied that the sugar and sweeteners' group was anti-union.

"Union busting is not part of our corporate style," he insisted as he came under a barrage of critical questioning from the union officials brandishing strike placards.

The union men had come to London to publicise the eight month lock-out of 760 workers at its Decatur corn-processing plant in Illinois run by the AE Staley offshoot.

Mr Shaw told shareholders a new attempt would be made to break the deadlock.

"There are some hopeful signs the company will now seriously negotiate with us but time will tell," said Mr Mark Brooks, special projects director of the United Paperworkers' union, after the meeting.

Mr Larry Pillard, chief executive of Staley in Decatur said the company was ready to reach a deal with the union but "not on any terms". A former member of the Teamster union, he said the company's "drastic decision" to lock-out the workers last June was "not taken in a capricious manner".

He added that the company had had no alternative when workers began a work-to-rule against the imposition of new working conditions.

Mr Shaw said that for five years Staley had been attempting to secure a new employment contract which would involve sweeping changes in working practices to bring the plant's productivity into line with its US competitors.

Mr Dave Watts, local president of the United Paperworkers, said yesterday what the company wanted was "the most draconian I have seen in the corn processing industry".

Despite the edginess of their public exchanges yesterday, which finally exasperated the mainly elderly shareholders, Mr Shaw and the union leaders seemed keen to try and find a way out of the dispute.

The board also faced critical questions over last year's resignation by "mutual consent" of Mr Stephen Brown as chief executive with £1.1m in compensation.

On current performance Mr Shaw said that the level of trading was encouraging with signs of an improvement in continental Europe helped by currency movements and rising demand.

Misys advances 19% to £8m

By Paul Taylor

A continued [illegible] of software [illegible] and recurring [illegible] helped Misys, [illegible] computer [illegible], lift interim pre-tax profits from £6.76m [illegible] £8.01m.

The [illegible] improvement [illegible] six [illegible] to [illegible]ber [illegible] was achieved on turnover [illegible] grew [illegible] £42.1m (£41.1m) helped by [illegible] contribution [illegible] acquisitions.

[illegible] modest [illegible] in turnover disguised [illegible] change in the mix [illegible] with the growth [illegible] soft[illegible] sales [illegible] recurring [illegible]nues more than offsetting the [illegible] in lower-margin hardware sales.

Earnings per share increased by [illegible] per [illegible] to 14.3p (11.9p) and the interim dividend is lifted [illegible] 15 [illegible] cent to 3p (2.61p).

Although [illegible] broadly in line with market expectations, the [illegible] closed 11p [illegible] at 537p.

At [illegible] operating [illegible] improved mix of revenues cou[illegible] with the [illegible] of the reorganisation put in place [illegible] [illegible] the [illegible] year resulted in a 23 per cent [illegible] in profits [illegible] charges.

[illegible] was underpin[illegible] by the expanded financial services division which [illegible] 50 [illegible] operating profits. The Countrywide businesses acquired in [illegible] performed particularly [illegible] assisted by [illegible] the consolidation of business within [illegible] indepen[illegible] broking [illegible].

Mr Kevin Lomax, chairman, said that Misys' [illegible] services division continued [illegible] share in [illegible] life insurance sector. Overall, [illegible] its prof[illegible] to £4.79m (£4.08m) [illegible] turn[illegible] (£11.2m) despite higher [illegible] development expenditure.

Within the systems division Mr Lomax [illegible] computer services operations continued [illegible] valuable, but slightly reduced, contribution [illegible] profits.

● COMMENT

The chairman's comments [illegible] the lack [illegible] signs [illegible] a [illegible] upturn in capital spending [illegible] contrib[illegible] to [illegible] price slippage yesterday. But even allowing [illegible] the [illegible] outlook, Misys looks [illegible] high quality technology [illegible] with [illegible] balance sheet, good management [illegible] an up-to-date product portfolio. Pre-tax prof[illegible] should [illegible] this [illegible] producing earnings [illegible] 32.3p. On [illegible] trading on [illegible] relatively [illegible] prospective p/e [illegible] 16.6.

Trevor Humphries

Kevin Lomax [illegible] with his deputy, Strone Macpherson: results [illegible] underpinned by the expanded financial [illegible] division

Wm Baird sees improving trend

By John Murrell

Directors [illegible] Baird, the [illegible], said yesterday [illegible] although some improvement in consumer confidence had been experienced [illegible] end [illegible] the third quarter, trading during [illegible] final [illegible] – including [illegible] important Christ[illegible] period – had remained difficult.

That was particularly [illegible] in branded ladies' wear [illegible] margin reduc[illegible] were [illegible] necessary [illegible]. Trading [illegible] the [illegible] particularly [illegible] during [illegible] resulting in losses "exacerbated" by the [illegible]. Management changes had [illegible] to strengthen the business.

For these reasons the [illegible] expected second [illegible] profits [illegible] Baird [illegible], the main subsidiary, [illegible] be [illegible] the £14.1m returned for the same period of [illegible] previous year. That [illegible] con[illegible] Richard I Racke, [illegible] wear [illegible] clothing company acquired [illegible] August which [illegible] in William [illegible] becoming [illegible] third largest supplier [illegible] and Spencer.

For the opening half year to June 30 [illegible] pre-tax profits [illegible] £10m to [illegible] Textiles accounting [illegible] £7.02m (£8.53m). Analysts were looking for full [illegible] profits [illegible] £22.5m; that would [illegible] lower [illegible] but "well ahead" after taking account [illegible] exceptional adjustments for FRS 3.

Mr Donald Parr, chairman, said [illegible] now a "sound clean business". [illegible] looking for a [illegible] improved [illegible]all performance in 1994, pointing out [illegible] the Berkertex [illegible] business was trading "extremely well".

He [illegible] with year-end borrowings expected [illegible] nil, including [illegible] the [illegible] acquisition, the final [illegible] 1993 [illegible] maintained.

[illegible] disposals [illegible] the Darchem business were expected in the near further, [illegible] proceeds of which [illegible] invested in [illegible] clothing and textiles operations.

[illegible] 4p higher on balance at 255p after falling to 225p in early [illegible].

Buoyant Christmas sales at Farepak

By Simon Davies

Farepak, [illegible] mail order supplier [illegible] hampers, yesterday reported [illegible] per [illegible] increase in [illegible] festive [illegible].

[illegible] accompanied news [illegible] an [illegible] £1.53m (£1.39m) pre-tax in the first half to [illegible] 31.

Turnover [illegible] marginally to [illegible] (£8.11m), primarily due [illegible] schedule for mail order giftware, which will be booked in the [illegible] half.

Farepak [illegible] highly seasonal business, with profits coming through during the Christmas period. Mr [illegible] Johnson, chairman, [illegible] "We are confident that [illegible] full [illegible] will [illegible] growth".

The company purchased the [illegible] hamper [illegible] and access to its substantial mail order [illegible], the second largest in the UK, for [illegible] in April [illegible] year. Benefits are expected [illegible] through in the [illegible] April 1995 as it [illegible] marketing [illegible] secures synergies with its existing [illegible] hamper [illegible].

The [illegible] expanded its manufacturing [illegible] with [illegible] plant [illegible] Swindon and [illegible] orders [illegible] wholesale food processing business.

The interim dividend goes up 12 per [illegible] 1.85p (1.65p).

Widney approval

Widney has High Court approval for [illegible] of its [illegible] premium account by £1.94m. This [illegible] the debit p&l balance to [illegible] written off.

Chiroscience to join market with £102m tag

By Tim Burt

[illegible] Group, the latest biotechnology [illegible] come [illegible] market, yesterday [illegible] its [illegible] share price at 150p, giving [illegible] capitalisation of £102m.

Although the Cambridge-[illegible] expect [illegible] profit for [illegible] while it develops new drugs, Mr [illegible] Keen, [illegible] director [illegible] investor [illegible] had exceeded expectations.

[illegible] had attracted attention because, unlike most biotechnology companies, it [illegible] its research programme with product [illegible] to compa[illegible] such as Glaxo.

In [illegible] six months [illegible] August 31 [illegible] helped hold interim losses [illegible] £1.37m.

[illegible] from [illegible] flotation and [illegible] from [illegible] of [illegible] synthons – the [illegible] build[illegible] blocks purchased by large drugs companies – would be [illegible] "to develop [illegible] full potential of [illegible] technology".

[illegible] to develop single isomer drugs, which work faster and with fewer [illegible] than twin isomer products.

Mr Keen said revenues from the issue, together with cash reserves of £6.9m, would be [illegible] market existing products, enlarge the workforce [illegible] expand [illegible] facilities.

The flotation [illegible] ordinary shares [illegible] expected [illegible] raise £45m, of which £5m will [illegible] by venture capital companies from the sale of [illegible] shares.

Of [illegible] retained by [illegible], [illegible] will be used to [illegible] an employee share trust, which has conditionally agreed [illegible] purchase a substan[illegible] equity stake [illegible] other [illegible] capital shareholders.

Robert Fleming is placing 16.7m [illegible] with institutions, with [illegible] available [illegible] private investors.

● COMMENT

It [illegible] a [illegible] to lay claim [illegible] valuation [illegible] £102m [illegible] it emerged [illegible] a £1m [illegible]ment buy-out. Yet that [illegible] Chiroscience [illegible] done. [illegible] 1992 it paid [illegible] cash [illegible] the chiral business of Enzymatix. Analysts, who had [illegible] expecting [illegible] capitalisation of about [illegible], described the valuation as "surprising". They warn that [illegible] if [illegible] company's innovative research techniques begin [illegible] generate profits in five years' time, [illegible] will be a long wait [illegible] inves[illegible] seeking capital growth. Nevertheless, Chiroscience [illegible] of [illegible] few companies developing single isomer drugs which, if they fulfil their promise, could [illegible] parts [illegible] the pharmaceutical industry. But it could take several [illegible] for [illegible] drugs [illegible] realise their full potential. At 150p, [illegible] shares [illegible] expected [illegible] open [illegible] a premium.

Northern Electric in joint venture for N Sea reserves

By David Lascelles, Resources Editor

Northern Electric, the [illegible] electricity distributor, has formed [illegible] joint venture with Neste, [illegible] Finn[illegible] oil [illegible] chemi[illegible], [illegible] own North [illegible] reserves.

The [illegible] joint venture, Sovereign Exploration, is valued initially [illegible] £19m, though [illegible] companies [illegible] the potential exists [illegible] enhance this by [illegible]. Northern [illegible] it expected to receive [illegible] venture would exceed that on its [illegible] electricity business.

The [illegible] will underpin Northern's ambitions [illegible] an integrated gas supplier. [illegible] autumn it launched [illegible] own distribution business. This currently [illegible], [illegible] serve [illegible] full [illegible] of [illegible] gas [illegible]ket as [illegible].

[illegible] deal gives Northern access [illegible] long-term [illegible] supplies with [illegible] option [illegible] buy up to 50m therms of uncommitted gas. For Neste, the [illegible] repre[illegible] step in [illegible] corporate restructuring and [illegible] opportunity [illegible] up with a [illegible] in the downstream [illegible].

Sovereign Exploration [illegible] have interests in the Schooner, Avalon [illegible] Victor [illegible].

Mr [illegible] Morris, Northern's chairman, said: "We are looking at further options [illegible] opportunities [illegible] expand [illegible] gas business, following [illegible] risk approach [illegible] ensure profitable business development."

NEWS DIGEST

Partridge recovers to £1.77m

Partridge Fine Arts, [illegible] antique dealer, reported pre-[illegible] profits ahead [illegible] £1.11m to [illegible] in the year to October 31. Turnover advanced to £13.7m, against [illegible], the highest since the [illegible] year.

Mr John Partridge, chairman, spoke of a return [illegible] confidence, with recent [illegible] showing [illegible] the finest pieces with strong prices.

However, [illegible] was some [illegible] lasting [illegible] market.

Earnings per share came [illegible] 5.54p (3.25p). [illegible] proposed final dividend of 1.5p makes [illegible] of 2.7p [illegible].

Gresham Telecomputing falls

Gresham Telecomputing, the USM-quoted information technology [illegible], announced pre-tax profits down from [illegible] to [illegible] for the year [illegible].

Turnover amounted [illegible], compared [illegible] last [illegible] which included £1.47m from discontinued operations.

Earnings [illegible] 1.04p (1.94p) while [illegible] single dividend is lifted to 0.27p [illegible].

Continental Assets improvement

Undiluted [illegible] value per [illegible] of [illegible] Assets Trust improved [illegible] cent [illegible] the 12 [illegible] December [illegible] 170.3p [illegible]. The [illegible] at [illegible] was [illegible].

[illegible] the Ivory & Sime-managed trust moved ahead [illegible] giving earnings per [illegible] of 3.16p against 2.51p. [illegible] single dividend is [illegible] 3p (2.4p).

Shell buys rest of Moroccan unit

Royal Dutch/Shell is buying the remaining 50 per cent [illegible] in [illegible] du [illegible] from [illegible] Société Nationale [illegible] Produits Petroliers.

No financial [illegible] given [illegible] comment [illegible] on the [illegible].

[illegible] Maroc, [illegible] in 1974, [illegible] 25 [illegible] Moroc[illegible] oil [illegible].

Derby Trust net asset value up 29%

Derby Trust [illegible] value per capital [illegible] by 29 [illegible] cent, from [illegible] 494p, [illegible] the [illegible] 31.

Net available [illegible] improved by 7.9 [illegible] cent, [illegible] equivalent [illegible] earnings [illegible] income [illegible].

A special [illegible] is declared, bringing the [illegible] year to 17.9532p (16.6346p). [illegible] special payment [illegible] of the liquidation of the investments [illegible] Hyde Park Finance (Holdings) of which Derby [illegible] cent. Directors [illegible] 1994 [illegible] 15.75p.

Witan Inv lifts net asset value to 271.7p

[illegible] Investment reported a [illegible] value [illegible] the [illegible] year, [illegible] 212.8p [illegible] 271.7p.

[illegible] amounted [illegible].

[illegible] dividend for [illegible] year [illegible] raised to 5.8p (5.6p) via [illegible] final [illegible] of 3.1p. Earnings per share came through [illegible] 6.11p (5.71p).

Bredero sells stake in shopping centre

Bredero Properties [illegible] selling [illegible] in [illegible] Ashley Shopping Centre, Epsom, [illegible] Life Assurance Society [illegible] £17.2m cash, representing an [illegible] yield [illegible] per [illegible].

After disposal costs, [illegible] proceeds represent [illegible] surplus of [illegible] £1.4m [illegible] value and will be used [illegible] reduce bank borrowings.

Govett American Smaller assets up

[illegible] Companies Trust reported [illegible] net [illegible] 176.59p [illegible] December 31, [illegible] from [illegible].

The trust, [illegible] to achieve capital growth through a portfolio [illegible] North American [illegible] companies, incurred an available [illegible] of £42,000 (profit of [illegible] end-December.

[illegible] per [illegible] were 0.17p (earnings [illegible] 0.1p).

Bromsgrove expands with £2.78m buy

Bromsgrove Industries, [illegible] specialist engineer, has acquired Dublok (UK), an Aberdeen-based designer and manufacturer of [illegible] use in [illegible] oil and [illegible] industries.

Maximum consideration [illegible] £2.78m, of [illegible] £1.53m was satisfied in cash on completion.

Deferred consideration [illegible] £250,000 is payable [illegible] and second [illegible] completion – [illegible] comprising [illegible] and £125,000 in guaranteed [illegible].

A [illegible] profits-re[illegible] consideration is payable – to a maximum of £750,000 – satisfied by [illegible] guaranteed variable [illegible] and [illegible] in Bromsgrove shares.

For the nine months [illegible] December [illegible] Dublok showed [illegible] pre-tax profit of £764,000 [illegible] of £1.95m, and [illegible] assets [illegible] a pre-acquisition distribution [illegible] the vendors of £474,000.

Prism 35% ahead at £0.65m

[illegible], [illegible] USM-quoted computer games [illegible] music group, [illegible] interim pre-tax profits by [illegible] per [illegible] and forecast a "significant [illegible]" in the full-year result. The shares [illegible] 5p [illegible] 183p.

Profit [illegible] the 27 [illegible] to October [illegible] amounted to £649,000 compared with [illegible] time and [illegible] the previous full [illegible]. Turnover [illegible] per cent higher [illegible].

Earnings [illegible] share [illegible] a 29 per cent rise from 3.8p to 4.9p; [illegible] interim [illegible] by 28 [illegible] cent [illegible] 0.9p [illegible] 1.15p.

[illegible] said a principal [illegible] growth was [illegible] turnover in the wholesale [illegible]tribution and merchandising of computer games. [illegible] the audio and video side [illegible] slight [illegible].

They reported that [illegible] was good in the [illegible] quarter, particularly for computer games. Paul Lamond Games, [illegible] board [illegible] division, [illegible] encouraging ini[illegible] trading and was expected [illegible] positive contribution [illegible] full-year results.

Profit warning from Policy Portfolio

[illegible] in Policy Portfolio, [illegible] in [illegible] policies, fell [illegible] yesterday after [illegible] company warned that [illegible] half profits were likely to [illegible] lower [illegible] first half's [illegible].

[illegible] profits [illegible] ended March 31 [illegible] totalled [illegible].

The company joined the [illegible] July, [illegible] placing [illegible] 3.6m [illegible] at [illegible] each, which valued it at [illegible].

[illegible] said yesterday that they expected current year [illegible] appointing" 30 [illegible] the previous 12 months, while gross profit margins [illegible] be higher than originally anticipated.

They [illegible] the continuing strong performance of [illegible] in [illegible] year may have caused [illegible] potential [illegible] in traded endowment policies [illegible] focus their activi[illegible] on [illegible] opportunities.

In addition, they said, some participants in the [illegible] endowment [illegible] appeared to [illegible] pursuing market [illegible] the [illegible] profit margins.

The directors had decided not to follow that course of [illegible] and, therefore, [illegible] it difficult [illegible] achieve [illegible] level of [illegible] growth they would wish, while maintaining an acceptable profit margin.

During [illegible] bonus season [illegible] had been a greater than anticipated [illegible] in value [illegible] company's present [illegible] of policies held for sale.

COMMODITIES AND AGRICULTURE

Codelco's $100m futures fiasco

By David Pilling in Santiago

A simple mistake may have triggered a desperate spiral of futures trading on the London Metal Exchange which, when fully unwound, is likely to result in losses of around [illegible] for Codelco, [illegible] copper company.

The explanation beginning [illegible] emerge yesterday was [illegible] Mr Juan Pablo Dávila, Codelco's [illegible] futures [illegible] operator, incorrectly input transactions into [illegible] computer [illegible] September, confusing [illegible] buys and vice versa.

According to Mr Dávila's *account*, [illegible] *then* [illegible] against [illegible] positions, compounding losses.

Mr Dávila is said to have realised his mistake only a month later by which [illegible] had mounted to millions of dollars.

Mr Alejandro Noemi, Codelco president, said [illegible] instead of informing his superiors, *[illegible] required [illegible] any [illegible] of* over $1m, Mr [illegible] "saw himself in the middle of a cyclone and made bigger and bigger operations [illegible] situation." This "resulted in a multiplication of the original errors."

It is [illegible] how Mr Dávila, [illegible] *face* prosecution, was able to keep matters [illegible] so long, avoiding safety controls that should have [illegible] regular reporting of [illegible]

This month, Mr Dávila is believed to have attempted to *salvage the situation when* during his holiday he [illegible] cluded further [illegible] by telephone. When [illegible] backfired, Mr [illegible] broke down and [illegible] Friday [illegible] the whole story [illegible] immediate [illegible] Mr [illegible] Guerrini, head of [illegible]

Mr Patrick Cussen, [illegible] ing director of Brandeis Chile, *which represents the LME* trader in Santiago, [illegible] Mr [illegible] was plausible. "I think it's [illegible] *but credible,*" he said.

Mr [illegible], a [illegible] Codelco employee, [illegible] Mr Dávila would mainly have been dealing in [illegible] transactions, with [illegible] commitment to physical delivery of copper. He discounted speculation that Codelco would [illegible] have to [illegible] a lot of stock.

"As *far* [illegible] I understand, that's [illegible] true. These were [illegible] and there will be no physical delivery," Mr Cussen said.

Codelco began [illegible] the futures market in [illegible] early [illegible] for hedging purposes. As long [illegible] the company made [illegible] futures transactions which resulted in [illegible] of $20m, according to Mr Alejandro Hales, mining minister.

[illegible] Cussen said he did [illegible] *believe Codelco's international* reputation would be damaged. "Codelco has always been regarded as a professional operator and its traders [illegible] well thought of internationally. I'm [illegible] its prestige will continue," he said.

Nevertheless, the scandal could [illegible] profound [illegible] on the future of the state company, which is already under severe pressure to maximise profits.

Somincor forecasts first fall from profit

By [illegible] in Lisbon

Somincor of Portugal, which mines Europe's biggest copper deposit, expects to register a loss of about Es200m ($1.1m) in 1993, its first [illegible] since beginning operations in 1989 with a *profit of Es10bn.*

It said, however, that [illegible] if copper and tin prices remained at *present levels,* a stringent cost-reduction programme should [illegible] it back into a net Es1.5bn profit in 1994. This compares with a profit of Es8.9bn in 1992.

The company, 51 per cent owned by the state with the [illegible] in the hands of [illegible] Corporation, the world's biggest mining company, said that 1993 production of 1.7m [illegible] of copper and tin [illegible] and sales of 610,000 [illegible] of concentrate (an intermediate material) [illegible] slightly higher than in [illegible]. But sales had fallen [illegible] per cent [illegible] level of [illegible]

Its mine in southern Portugal, one of the most advanced in the world, reached its target of extracting [illegible] *annual* [illegible] of [illegible] year [illegible] start-up in [illegible] Production [illegible] per cent copper [illegible] per cent tin [illegible]

Final results for 1993 have not yet [illegible] published but a spokesman said the expected loss was mainly caused by a 17 per cent fall in [illegible] prices and an [illegible] per cent drop in tin prices last year [illegible] level.

Depreciation of the Portuguese escudo against the dollar in the second half of 1993 also contributed to the loss. Exchange rate [illegible] for 1993 are forecast at Es4.3bn. All the mine's production is exported and [illegible] for dollars.

Last year Somincor (*Socie*-[illegible] Corvo) paid back [illegible] Es7.2bn tranche of an [illegible] made by the European Investment Bank in 1988. The company has also contracted Es5bn in short-term loans from the domestic market. Financial costs are estimated at Es3bn a year. Following the [illegible] of a tax holiday, Somincor will pay corporate tax at 40 per cent for the first time in 1994.

FT GOLD MINES INDEX

Weekly values†	Jan. [illegible]	% chg on week
Index	2,108.8	-5.1
[illegible]		
Africa	2,875.1	-5.4
Australasia	2,857.8	-4.2
[illegible]	1,903.8	-5.3
[illegible] PM Fix	$382.00*	-2.5

†Partial: Australasia market, closed Jan 26 *Per troy ounce. Indices in US$ terms, based at 1,000 on 31/12/92. Daily publication [illegible]

US floods hit cereals

By David Lascelles, Resources Editor

[illegible] recent US floods [illegible] forced another cut in the forecast [illegible] 1993 [illegible] cereal harvest.

The International Wheat Council yesterday shaved another [illegible] off its estimate of coarse grain production, reducing [illegible] 791m [illegible], despite higher expected outturns in countries other [illegible] US.

The forecast for [illegible] is unchanged at 562m, though the figure comprises several revisions. The most important is an increase of *1.6m tonnes* to 17.8m tonnes for Australia, offset by reductions in Argentina, Canada and the US.

The IWC's total cereals forecast for 1993 now stands at 1.353bn tonnes, down from [illegible] tonnes.

VAT rules threaten trade

By Deborah Hargreaves

European commodity [illegible] is *being threatened by* [illegible] tainty [illegible] new rules [illegible] added tax, according to the [illegible] *Partnership*, a *legal* [illegible] respresenting traders.

[illegible] European Commission is *being urged by UK Customs* and commodity exchanges [illegible] traders to simplify complex VAT [illegible] *clarify their* application [illegible] in oil, metals, grains and [illegible] *such* [illegible]

Ms Ann Humphrey, a VAT [illegible] "It [illegible] *essential that the confusion* and uncertainty in [illegible] by [illegible] new rules [illegible] *quickly* [illegible] *a* [illegible] *which results* [illegible] minimum disruption [illegible] trade."

The confusion has arisen *over rules introduced at the* beginning of last year. Under [illegible] single market regulations, [illegible] *sale of goods* [illegible] traders in different member countries [illegible] involve payment of VAT [illegible] long as [illegible] goods [illegible] European Union country and [illegible] another.

Commodity transactions, however, can involve the [illegible] *and re-sale of* [illegible] *same* [illegible] modity [illegible] times, from [illegible] EU countries, *without physical delivery.* This [illegible] the [illegible] is theoretically [illegible] multiple *VAT levies.*

[illegible] countries [illegible] also implementing the [illegible] in different [illegible] increasing the [illegible] traders.

The problem tends [illegible] more pressing in the UK than in the rest of the EU as London [illegible] important centre for [illegible] commodity trade. [illegible] Customs [illegible] calling on the Commission to [illegible] action for the past year [illegible] submitted [illegible] proposals to [illegible] July.

[illegible] Humphrey said, however, [illegible] the Commission had [illegible] regarded the [illegible] *a priority*. The Confederation of British Industry has [illegible] taken up the issue with the Commission. [illegible] Commission expects to present its proposals in the [illegible] *couple* [illegible] *weeks.*

[illegible] REPORT

Aluminium peaks

ALUMINIUM's price touched a 6½-month peak on the LME as speculators gambled that the plan for global producer cuts would succeed. Late profit-taking pegged the rise [illegible] three-month aluminium closed at $1,246.25 a tonne, [illegible] $10.50. Aluminium prices have gained [illegible] per cent this month and [illegible] per [illegible] above 1993's eight-year lows. Traders suggested [illegible] COPPER market would [illegible] troubled by Codelco's trading losses and prices tested [illegible] a tonne again before three-months metal closed at $1,883.50, up $11. [illegible] drifted lower amid [illegible] that Venezuela's *financially troubled* Banco Latino might have [illegible] to [illegible] tonnes [illegible] dump.

Compiled [illegible]

Brazil coffee boss resigns from national post

[illegible] Gilson Ximenes, head of Brazil's National Coffee Department (DNC), handed in his resignation yesterday to the [illegible] Industry [illegible] Commerce Mr Elcio Alvares, [illegible] reports [illegible]

A [illegible] spokesman [illegible] *Ximenes stepped down for* "personal reasons" after nine months [illegible] job. A replacement [illegible] not yet [illegible] named. [illegible] resignation has been linked to that [illegible] his former boss, Mr José Eduardo [illegible] Vieira, [illegible] resigned as industry and commerce *minister last year* [illegible] pursue political interests.

Reuter also reported from San Jose that [illegible] yesterday suspended exports of inferior quality coffee, following the example of Colombia and [illegible] producers last week. [illegible] Guillermo Canet, executive director of the Costa Rican Coffee Institute (ICAFE), said the aim [illegible] to support coffee prices in international markets. The decision, taken by the ICAFE governing board, affected coffee varieties whose prices [illegible] fallen below [illegible] 46kg sack.

Pakistan tackles its forestry crisis

Farhan Bokhari reports on the planting and protection initiative

The quiet of the night [illegible] broken by the birds [illegible] voices of forest guards about to begin their chores of the day. The grind of cars, trucks and buses bring in the first traces of modern day influence to the forest.

This [illegible] Changa Manga forest. It is unique because it is [illegible] of the remaining hopes in Pakistan's battle against deforestation, which is beginning to show its effects on the country's economy and the environment. *The forest has recently* played host to the first initiative in Pakistan to protect [illegible] *resource in a government-sponsored* seminar to encourage farmers to grow [illegible] trees.

"There is [illegible] sort of a forestry crisis in this country. We are short of forestry resources," says Mr Rafiq Ahmed, deputy inspector-general of forestry in the federal government. The challenge of developing forests [illegible] Pakistan has grown in importance since a tightening of budgetary resources, which have in turn intensified pressure to cut down imports. Pakistan imports wood and wood products worth Rs3.5bn ($116m) annually.

The government claims that up to 5 per [illegible] of the country's territory [illegible] occupied by forests. [illegible] according to independent economists and forestry experts [illegible] actual figure is significantly [illegible] due to large scale deforestation.

The disappearance of [illegible] country's trees inevitably brings environmental problems. Mr [illegible] *Siddiqui,* director general of [illegible] Pakis[illegible] Forestry Institute in Peshawar said: "The prime example [of effects of deforestation] [illegible] the [illegible] when there [illegible] high rainfall in the North, and in the absence of tree cover on [illegible] hills, all the [illegible] rushing down and [illegible] havoc in the plains."

The government's initiative [illegible] provide sapplings at [illegible] rates to farmers, to [illegible] "agro-forestry". The target [illegible] double the [illegible] under [illegible] the [illegible] years.

It is not yet clear, however, how successful the [illegible] will be. "People [illegible] not aware of agro-forestry. They think that if they grow trees, because of the shade they may not be able to have their regular crops," said Mrs Nasrin Ayub, a [illegible] who has just [illegible] planting sapplings on her farm.

Many other [illegible] *have* complained [illegible] of proper marketing [illegible] leave [illegible] profit once planting expenditure and tree protection over several years is [illegible]

Mr Maqbool [illegible], president of the National Farmers Council said: "If the marketing [illegible] properly, the [illegible] ment will not need to import [illegible] wood, because proper [illegible] will attract farmers."

Most of the [illegible] areas [illegible] in the [illegible] of Northern [illegible] where just [illegible] per cent of the country's population lives. The long cold winters have prompted the local people to cut the trees. In addition, a group of powerful traders known as the "timber mafia" are allegedly responsible for illegal chopping of trees from forest land.

"There is a need for forests and there is a greed for forests," said Mr Siddiqui. He added that while the people in many areas chop trees out of necessity, for others, it is an important business.

He argued for development of alternative sources of energy and employment as a step to changing the trends.

Others call for a strong clampdown on illegal timber traders.

COMMODITIES PRICES

BASE METALS

LONDON METAL EXCHANGE

[illegible]

■ ALUMINIUM, 99.7 PURITY ($ per tonne)

	Cash	3 mths
Close	[illegible]	[illegible]
Previous	[illegible]	[illegible]
High/low	1232	1255/1245
AM Official	[illegible]	1250.5-51.0
Kerb close		[illegible]
Open int.	282,164	
Total daily turnover	66,376	

■ ALUMINIUM ALLOY ($ per tonne)

Close	1067-72	1090-95
Previous	1057-62	1081-85
High/low		1095/1090
AM Official	1067-72	1090-95
Kerb close		[illegible]
Open int.	[illegible]	
Total daily turnover	[illegible]	

■ LEAD ($ per tonne)

Close	517-8	529-30
Previous	508.5-7.5	519-20
High/low		533/524
AM Official	[illegible]	[illegible]
Kerb close		525-6
Open int.	32,652	
Total daily turnover	7,301	

■ NICKEL ($ per tonne)

Close	5730-40	[illegible]
Previous	5705-10	5769-70
High/low	5785	5880/5780
AM Official	5785-90	5855-60
Kerb close		5775-80
Open int.	49,954	
Total daily turnover	[illegible]	

■ TIN ($ per tonne)

Close	5175-85	5225-35
Previous	5075-85	5130-35
High/low		5260/5150
AM Official	5200-5	5250-55
Kerb close		5210-15
Open int.	17,018	
Total daily turnover	5,701	

■ ZINC, special high grade ($ per tonne)

Close	1002-3	1021-22
Previous	[illegible]	[illegible]
High/low		1026/1021
AM Official	[illegible]	[illegible]
Kerb close		[illegible]
Open int.	[illegible]	
Total daily turnover	12,052	

■ COPPER, grade A ($ per tonne)

Close	1860-61	1883-84
Previous	1849-50	1872-73
High/low	1871	[illegible]
AM Official	1871-71.5	[illegible]
Kerb close		1885-86
Open int.	287,790	
Total daily turnover	87,419	

■ LME AM Official £/$ rate: 1.4888

LME Closing £/$ rate: 1.4930

Spot:1.4945 [illegible] mths:1.4869 6 mths:1.4813 9 mths:1.4765

■ HIGH GRADE COPPER (COMEX)

	[illegible]	Day's [illegible]	High	Low	Open int	Vol
Jan	[illegible]	[illegible]	[illegible]	[illegible]	427	144
Feb	86.60	[illegible]	87.20	[illegible]	1,208	93
Mar	86.80	[illegible]	[illegible]	86.50	39,432	[illegible]
Apr	86.20	[illegible]	86.20	[illegible]	717	30
May	86.10	[illegible]	[illegible]	[illegible]	[illegible]	971
Jun	86.20	-0.25	86.30	[illegible]	880	7
Total					83,782	7,351

PRECIOUS METALS

■ [illegible] BULLION MARKET

(Prices supplied by N M Rothschild)

Gold (Troy oz.)	$ price	£ equiv.
Close	382.00-382.40	
Opening	384.50-384.90	
Morning fix	384.50	257.346
Afternoon fix	383.60	256.881
Day's High	384.60-385.00	
Day's Low	381.60-382.00	
[illegible] close	[illegible]	

Loco Ldn Mean Gold Lending Rates (Vs US$)

1 month	2.65	6 months	2.72
2 months	2.67	12 months	2.81
3 months	2[illegible]		

Silver Fix	p/troy oz.	US cts equiv.
Spot	342.35	511.50
3 months	346.75	515.30
6 months	350.85	519.25
1 [illegible]	359.80	528.60

Gold Coins	$ price	£ equiv.
Krugerrand	385-388	258-261
Maple Leaf	393.00-395.45	
New Sovereign	90-93	60-63

Precious Metals continued

■ GOLD COMEX (100 Troy oz.; $/troy oz.)

■ PLATINUM NYMEX (50 Troy oz.; $/troy oz.)

■ PALLADIUM NYMEX (100 Troy oz.; $/troy oz.)

■ SILVER COMEX (100 Troy oz.; Cents/troy oz.)

	Sett price	Day's change	High	Low	Open int	Vol
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

ENERGY

■ CRUDE OIL NYMEX (42,000 US galls. $/barrel)

■ CRUDE OIL IPE ($/barrel)

■ HEATING OIL NYMEX (42,000 US galls; c/US galls)

	Latest price	Day's change	High	Low	Open int	Vol
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	46.00	45.[illegible]	31,982	[illegible]
Jun	[illegible]	[illegible]	45.65	45.05	21,631	[illegible]
Jul	[illegible]	[illegible]	46.20	[illegible]	[illegible]	[illegible]
Total					[illegible]	58,954

■ GAS OIL IPE ($/tonne)

	Sett price	Day's change	High	Low	Open int	Vol
Feb	147.25	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Mar	147.50	+2.25	[illegible]	[illegible]	21,892	[illegible]
Apr	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	+1.25	144.25	143.25	9,855	1,082
Jun	144.25	+1.00	144.75	[illegible]	14,818	631
Jul	145.25	+0.50	145.25	[illegible]	8,493	235
Total					[illegible]	16,898

■ NATURAL GAS NYMEX (10,000 [illegible])

	Latest price	Day's change	High	Low	Open int	Vol
Mar	[illegible]	[illegible]	[illegible]	2.420	22,157	[illegible]
Apr	2.249	+0.036	2.260	2.240	17,040	7,724
May	2.[illegible]	+0.016	2.170	[illegible]	11,884	2,515
Jun	2.1[illegible]	+0.023	[illegible]	2.100	[illegible]	[illegible]
Jul	2.090	+0.035	[illegible]	2.085	8,112	683
Aug	2.110	+0.025	[illegible]	[illegible]	[illegible]	419
Total					122,977	32,590

■ UNLEADED GASOLINE NYMEX (42,000 US galls.; c/US galls.)

	Latest price	Day's change	High	Low	Open int	Vol
Feb	[illegible]	-0.14	44.80	44.30	16,115	14,914
Mar	[illegible]	+0.14	45.20	44.75	[illegible]	11,689
Apr	47.40	[illegible]	[illegible]	47.00	28,433	4,540
May	48.10	[illegible]	[illegible]	47.70	31,039	3,431
[illegible]	[illegible]	[illegible]	48.45	48.00	[illegible]	[illegible]
[illegible]	48.25	[illegible]	[illegible]	[illegible]	2,840	[illegible]
Total					131,180	35,[illegible]

GRAINS AND OIL SEEDS

■ WHEAT LCE (£ per tonne)

■ WHEAT CBT (5,000bu min; cents/60lb bushel)

■ MAIZE CBT (5,000 bu min; cents/56lb bushel)

■ BARLEY LCE (£ per tonne)

■ SOYABEANS CBT (5,000bu min; cents/60lb bushel)

■ SOYABEAN OIL CBT (60,000lbs; cents/lb)

■ SOYABEAN MEAL CBT (100 tons; $/ton)

■ POTATOES LCE (£/tonne)

■ FREIGHT (BIFFEX) LCE ($10/index point)

	Sett price	Day's change	High	Low	Open int	Vol
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Mar	1210	[illegible]	[illegible]	1205	[illegible]	[illegible]
Apr	[illegible]	+2	1245	1226	[illegible]	25
[illegible]	1110	+1	1101	1101	206	12
[illegible]	1258	+5	1257	1254	230	10
Total					2,759	91

	[illegible]	Prev
BFI	1267	1220

SOFTS

■ COCOA LCE (£/tonne)

■ COCOA CSCE (10 tonnes; $/tonnes)

■ COCOA (ICCO) (SDR's/tonne)

■ COFFEE LCE ($/tonne)

■ COFFEE 'C' CSCE (37,500lbs; cents/lbs)

■ COFFEE (ICO) (US cents/pound)

■ No7 PREMIUM RAW SUGAR LCE (cents/lbs)

■ WHITE SUGAR LCE ($/tonne)

■ SUGAR '11' CSCE (112,000lbs; cents/lbs)

■ COTTON NYCE (50,000lbs; cents/lbs)

	Sett price	Day's change	High	Low	Open int	Vol
[illegible]	[illegible]	[illegible]	[illegible]	73.37	[illegible]	3,855
Jul	[illegible]	[illegible]	[illegible]	74.00	[illegible]	1,174
Oct	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	+0.15	[illegible]	68.30	[illegible]	[illegible]
Mar	69.15	-0.15	[illegible]	[illegible]	120	-
Total					55,935	10,891

■ ORANGE JUICE NYCE (15,000lbs; cents/lbs)

	Sett price	Day's change	High	Low	Open int	Vol
Mar	[illegible]	[illegible]	[illegible]	102.35	11,468	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]	3,010	903
Jul	[illegible]	+1.20	[illegible]	[illegible]	[illegible]	[illegible]
Sep	[illegible]	[illegible]	-	-	[illegible]	1
Nov	[illegible]	+1.45	-	-	[illegible]	13
Jan	114.75	+1.75	112.25	[illegible]	439	1
Total					17,457	4,459

VOLUME DATA

Open Interest and Volume data shown for contracts traded on COMEX, NYMEX, CBT, NYCE, CME and CSCE are one day in arrears.

INDICES

■ REUTERS (Base: 18/9/31=100)

Jan 27	Jan 26	month ago	year ago
1719.7	1711.4	1681.7	[illegible]

■ CRB (Base: 4/9/56=100)

Jan 26	Jan 25	month ago	year ago
225.92	225.78	226.56	199.76

Wool

The wool market price rise gathered pace this week. *Finer Merinos* in Australia and South [illegible] again [illegible] *lead, but all the other* [illegible] were [illegible] dearer. At least as important in the [illegible] sectors was an improvement in demand, presumably as buyers came [illegible] that prices were likely to move higher. [illegible] to the rise remains strong, and prices for tops and yarn do not reflect replacement costs, but at least movement is in the right direction. In the British [illegible] prices for merchanted [illegible] were dearer as a result of further buying from manufacturing sectors in the domestic market, in anticipation of enhanced competition for wool at next week's [illegible] wool auction. The official market indicator closed at 522 [illegible] kg. In Australia yesterday, a new peak for the season.

MEAT AND LIVESTOCK

■ LIVE CATTLE CME (40,000lbs; cents/lbs)

	Sett price	Day's change	High	Low	Open int	Vol
Feb	73.125	+0.200	[illegible]	[illegible]	[illegible]	3,884
[illegible]	76.100	[illegible]300	76.175	75.750	28,061	2,902
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	1,195
Total					[illegible]	[illegible]

■ LIVE HOGS CME (40,000lbs; cents/lbs)

■ PORK BELLIES CME (40,000lbs; cents/lbs)

	Sett price	Day's change	High	Low	Open int	Vol
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

LONDON TRADED OPTIONS

Strike price $ tonne	Calls		Puts	
■ ALUMINIUM (99.7%) LME				
■ COPPER (Grade A) LME				
■ COFFEE LCE				
■ COCOA LCE				
■ BRENT CRUDE IPE				
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

LONDON SPOT MARKETS

■ CRUDE OIL FOB (per barrel/Mar)

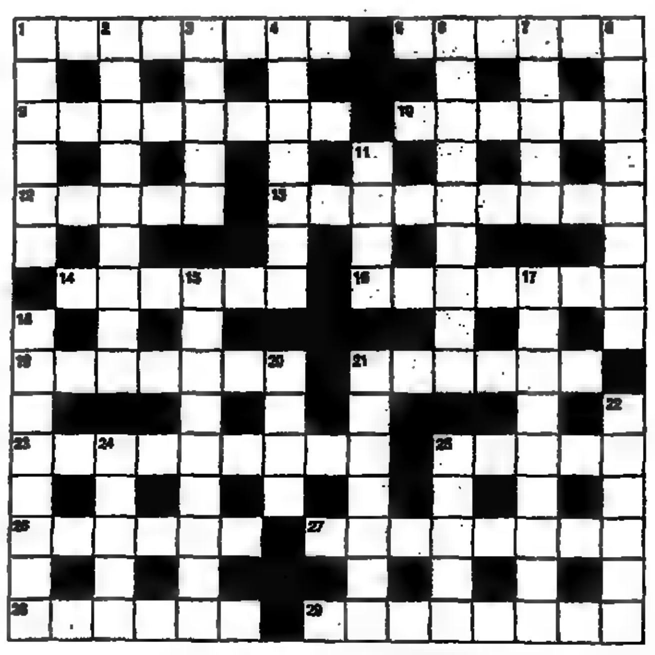
■ OIL PRODUCTS NWE prompt delivery CIF (tonne)

Dubai	[illegible]	
Brent Blend (dated)	$14.71-4.75	
Brent Blend (Mar)	$14.29-4.31	
W.T.I. (1 pm est)	$15.[illegible]	
Premium Gasoline	[illegible]	
Gas Oil	[illegible]	
Heavy Fuel Oil	$70-71	+1
Naphtha	$121-124	
Jet Fuel	[illegible]	+1
Petroleum Argus Estimates		
Gold (per troy oz)♣	$382.00	
Silver (per troy oz)♣	511.5c	
Platinum (per troy oz.)	$[illegible]	
Palladium (per troy oz.)	$124.75	
Copper (US prod.)	[illegible]	
Lead (US prod.)	35.00c	
Tin (Kuala Lumpur)	[illegible]	+0.18
Tin (New York)	240.50c	+4.00
Zinc (US Prime W.)	Unq.	
Cattle (live weight)†	122.61p	-0.22*
Sheep (live weight)†♣	104.27p	-0.73*
Pigs (live weight)	84.70p	-1.76*
Lon. day sugar (raw)	$254.0	-0.5
Lon. day sugar (wte)	$291.5	-0.5
Tate & Lyle export	$261.0	
Barley (Eng. feed)	Unq.	
Maize (US No3 Yellow)	£127.00v	
Wheat (US Dark North)	£143.5	
Rubber (Mar)♥	62.25p	+0.25
Rubber (Apr)♥	62.50p	+0.25
Rubber(KL RSS No1 Feb)	224.5m	+1.0
Coconut oil (Phil)§	$600.0x	-10.0
Palm Oil (Malay.)§	$400.0t	-2.5
Copra (Phil)§	$395	
Soyabeans (US)	£201.0v	
Cotton "A" Index	73.75c	
Wooltops (64s Super)	346p	+2

£ per tonne unless otherwise stated. p pence/kg. c cents/lb. r ringgit/kg. m Malaysian cents/kg. y Feb/Mar. v Mar. x Jan/Feb. t Feb. z Feb/Mar. ♥ London Physical. § CIF Rotterdam. ♣ Bullion market close. [illegible] Sheep (live weight prices). * Change on week, provisional prices.

CROSSWORD

No.8,365 [illegible] by ALAUN



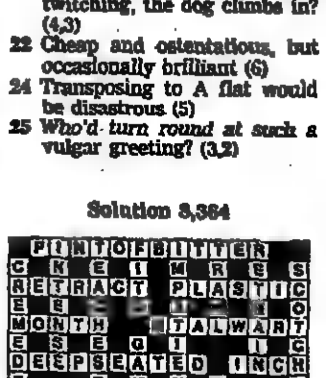
[illegible]

1 Easily shocked flower girl (8)
5 Nicked as arranged (6)
[illegible] Cooking the two fish the dunderhead brought in (8)
10 He [illegible] an [illegible] in summer [illegible]
12 Admitted the dog did bring it upon himself (5)
13 Soon running into [illegible] trade [illegible]
14 Marks them [illegible] items [illegible]
16 Punishment? [illegible] of [illegible] misdeed? (4,3)
19 A race – a point to point held by an [illegible] (7)
21 Slower [illegible] (6)
23 Not where [illegible] should be, though [illegible] playing golf (3,6)
[illegible] Moved, nautically speaking, to the port side of the shanty (5)
26 Keep back to hammer out [illegible] one [illegible] in [illegible]
27 [illegible] on the players [illegible]
28 The only [illegible] lacking a grave (6)
29 The salvage is [illegible] better (8)

DOWN

1 Eating out of [illegible] and home! (6)
2 A sign of the [illegible] station [illegible]
3 A [illegible] in the classroom? [illegible]
4 The governing [illegible] suffered a setback [illegible] currency (7)
[illegible] What was that you said to the departing guest? (4,5)
7 The money game (5)
8 Actors are put upon by them (8)
11 Take out a tie [illegible]
15 [illegible] for spying, perhaps (9)
17 [illegible] "The Ballad of Reading Gaol" presumably (4,5)
18 Very nearly a peer (2,4,2)
20 Mean a rejection to [illegible] ing (4)
21 First thing to do when, nose twitching, the dog climbs in? (4,3)
22 Cheap and ostentatious, but occasionally brilliant (6)
24 Transposing to A flat would be disastrous (5)
25 *Who'd turn round at such a* vulgar greeting? (3,2)

Solution 8,364



JOTTER PAD

LONDON STOCK EXCHANGE

MARKET REPORT

Share prices continue to fall in higher volume

By Terry Byland, UK Stock Market Editor

Disappointing trading statements [redacted] the [redacted] sector, together [redacted] further [redacted] in government bonds, [redacted] the UK [redacted] market yesterday. Early firmness, [redacted] held [redacted] mid-afternoon, [redacted] much [redacted] demand, and once this [redacted] completed share prices [redacted].

The FT-SE 100 Index [redacted] at 3,427.3, having rallied [redacted]. [redacted] market [redacted] have [redacted] predicting [redacted] correction [redacted] the market believe that the Footsie could fall to around 3,400 without necessarily implying a significant change [redacted] direction.

The setback was, as so often happens, triggered from the stock index futures sector, where [redacted] March [redacted] contract [redacted] parity with [redacted] index. But wider [redacted] work, including reports [redacted] a [redacted] US [redacted] specialist had turned bearish in futures and [redacted] some UK [redacted] had tried [redacted] unload [redacted] over [redacted] this Wednesday's [redacted] tion [redacted] of [redacted] government securities.

[redacted] bond markets in [redacted] elsewhere counter-[redacted] suggestions in some quar-[redacted] that yesterday's slightly discouraging reports from leading UK retailers would [redacted] strengthen [redacted] chances [redacted] base [redacted] would be cut sooner than expected.

[redacted] in [redacted] Spencer, the monarch [redacted] Britain's high [redacted] retailers [redacted] one of [redacted] widely held shares in the market, fell sharply after the market took a cautious view of the board's statement that Christmas sales had been in line with expectations. Investors also reacted badly to comments at the annual meeting of Burton, another leading clothing retailer.

[redacted] of the market's powerful advance in [redacted] and early January hinged on [redacted] would [redacted] firm the recovery in the [redacted] economy. [redacted] shares [redacted] ground widely yesterday in significantly increased trading volume.

[redacted] commented that trading volume [redacted] as [redacted] has given ground. Seaq [redacted] 972.6m [redacted] yesterday [redacted] non-Footsie business remain high [redacted] around 63 per cent of the total. The FT-SE Mid 250 Index, supported initially by the aftermath of [redacted] options expiries, slipped [redacted] later [redacted] down [redacted] 4,076.4.

Retail, or customer, [redacted] equities [redacted] remained strong, although [redacted]. On Wednesday, [redacted] business in UK equities was worth £1.86bn, sug-[redacted] that [redacted] institutions were again [redacted] in the market.

London yesterday failed [redacted] the brighter [redacted] of the other continental European stock markets. However, the rally in Hong Kong [redacted] quickly in [redacted].

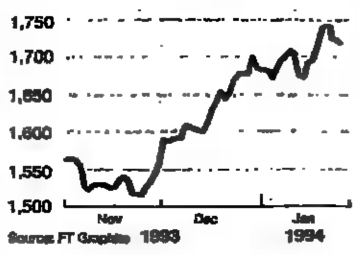
In spite [redacted] the doubts over short-term prospects, UK equity strategists remained favourable towards the London market [redacted] medium term. Smith New Court, the UK integrated [redacted] house, sees London [redacted] offering "considerable security" in global markets [redacted] by short term risks, [redacted] the strength of sterling perhaps prompting [redacted] interest [redacted] that could prove unwarranted.

Flemings [redacted] believes [redacted] FT-SE 100 Index could [redacted] by April, with [redacted] hopes kept [redacted] by "well founded fears" [redacted] increases in [redacted] spring [redacted] prompt [redacted] of [redacted] activity. However, [redacted] remains cautious [redacted] for UK consumers.

Account Dealing Dates			
*First Dealings:	Jan 17	Jan 31	Feb 14
Option [redacted]	Jan 27	Feb 10	Feb 24
Last Dealings:	Jan 28	Feb 11	Feb 25
Account Day:	Feb 7	Feb 21	Mar [redacted]

*New time dealings may take place from two business days earlier.

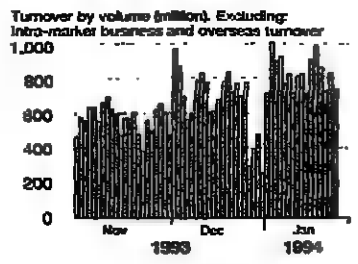
FT-SE-A All-Share Index



Source: FT Graphite

Equity Shares Traded

Turnover by volume (million). Excluding: Intra-market business and overseas turnover



[redacted] Indicators

Indices and ratios

FT-SE 100	3427.3	[redacted]	FT Ordinary index	2627.3	-13.9
FT-SE [redacted]	4076.4	-3.3	FT-SE-A Non [redacted] p/e	[redacted]	(22.58)
FT-SE-A 350	1734.8	-3.8	FT-SE 100 Fut Mar	3427.0	-14.0
FT-SE-A All-Share	1720.79	-3.77	[redacted] yr Gilt yield	6.32	6.24
FT-SE-A All-Share yield	3.29	[redacted]	Long gilt/equity yld [redacted]	[redacted]	[redacted]

Best performing sectors

1 Property ... +1.3
2 Gas Distribution ... +1.2
3 Water ... +1.1
4 Distributors ... +0.9
5 Household Goods ... +0.9

Worst performing sectors

1 Building & Const ... -3.4
2 [redacted], General ... -2.8
[redacted] Retailers, [redacted] ... -1.3
4 Building Mats [redacted] ... -1.2
[redacted] Oil, Intergrated ... -0.9

Retailers under pressure

[redacted] trading reports from high street retailers came amid growing signs of investor disquiet [redacted] patchiness [redacted] in consumer [redacted]fidence.

[redacted] in [redacted] and Spencer, the jewel in the portfolio of [redacted] investment [redacted], were marked down after the sparse [redacted] in [redacted] trading statement. Speculation of improved trading at Marks in recent weeks had led some analysts to upgrade profits [redacted]. The [redacted] 426½p [redacted] turnover [redacted] 14m.

But [redacted] Marks' early morning [redacted] by [redacted] trading statement from Burton, [redacted] by [redacted] "the [redacted] all possible [redacted]".

Burton's margins were badly [redacted] and [redacted] flat, which [redacted] starkly [redacted] sparkling figures only [redacted] days [redacted]. Burton shares [redacted] 58¾p in very heavy turnover of [redacted]. Brokers [redacted] swingeing cuts [redacted] forecasts, with Cazenove and BZW, [redacted] company's joint brokers, [redacted] lowered [redacted] profits predictions by 33 [redacted] £60m to £40m. But Next [redacted] not immune [redacted] the [redacted] 231½p.

Furniture retailer MFI produced [redacted] top [redacted] expectations. Sales were encouraging [redacted] margins [redacted]. Analysts upgraded [redacted] by around 20 [redacted] to a [redacted] to [redacted] her positive recom-[redacted].

"MFI is a bright spot in an [redacted] gloomy sector," [redacted] commented. The [redacted] moved [redacted] 5 to 179p.

Selling of BP

[redacted] further [redacted] and [redacted] selling [redacted] to have emanated [redacted] the US, was thought to [redacted] the heavy turnover [redacted] underperformance of BP shares.

They eventually [redacted] net 4 off [redacted], roughly in line with a poorly performing [redacted] sector. However, it [redacted] the weight of the selling [redacted] which caught dealers' [redacted]tion, with [redacted] block [redacted] 7.7m shares [redacted] into [redacted] market early on, [redacted] by a series [redacted] smaller blocks via [redacted] inter [redacted] broker system.

Oil specialists [redacted] the big US [redacted] funds had [redacted] to lighten their holdings in BP, one of the FT-SE [redacted] best performers over [redacted] past 18 months, [redacted] the [redacted]ny's fourth-quarter [redacted] full-[redacted] figures [redacted] February 2. They [redacted] pointed out that UK institutions [redacted] happy to [redacted] weightings in BP.

Shell, meanwhile, continued [redacted] widespread selling, closing 6 off at 718p. "They feel awful," [redacted] specialist. [redacted] discouraged oil analysts was [redacted] sector's performance against [redacted] marginally firmer oil price, which [redacted] trading around [redacted] $14.35 a [redacted] mark towards the close, [redacted] primarily by the [redacted]tinuing [redacted] weather in the US.

RMC hit hard

The [redacted] RMC shares was abruptly [redacted] by [redacted] profits downgrade from [redacted] Capel, the market's leading agency broker. Capel was said to have [redacted] 1993 profits number [redacted] £172m, that [redacted] to £195m and the 1995 figure to £225m, [redacted] of worries about the German [redacted].

RMC shares, among [redacted] building sector's best perform-[redacted] of the [redacted], fell 33 to 993p after the Capel downgrade, although [redacted] turnover failed [redacted] reach the 1m mark. Redland, also heavily influenced by the German [redacted], [redacted] 15 [redacted].

[redacted] market registered satisfaction with the decision by Ofgas [redacted] implement a new [redacted] pricing formula, which [redacted] shifted from inflation minus 5 per [redacted] inflation minus 4 [redacted] cent, hoisting British [redacted] shares [redacted] a day's high of 351p. They closed 4¼ ahead [redacted] 349½p, [redacted] turnover expanding to [redacted].

"This is [redacted] first good news for [redacted] for some time and should see the shares move [redacted] in the short term," [redacted] analyst.

Enterprise Oil [redacted] 459p, with [redacted] slightly surprised at the market's lack [redacted] recent [redacted] presentation in London [redacted] which Elf directors [redacted] they regarded [redacted] Enterprise shareholding as [redacted] "strategic stake".

An upbeat presentation [redacted] analysts by leisure group [redacted] helped [redacted] shares and also [redacted] television group LWT (up 18 [redacted] 706p), for [redacted] has [redacted] an all-[redacted]. The presentation led to [redacted] rise in Granada shares of [redacted] to 585p [redacted] LWT bid was [redacted] at 702p a share. Analysts [redacted] that [redacted] pressure on Gran-[redacted] following [redacted] *relatively high price put on* rival Anglia by investment group MAI. Anglia gained [redacted] at 658p and MAI rose 2 to 301p.

After [redacted] LWT hit [redacted] move [redacted] for [redacted] television [redacted], saying: "Granada's [redacted] to [redacted] smacks of desperation."

Pearson, which [redacted] in satellite group BSkyB, rose 4 to [redacted] on [redacted] that [redacted] is looking [redacted] ways of repaying some of [redacted] money [redacted] by shareholders. News [redacted]tional, which owns [redacted] of BSkyB, improved 12 [redacted] 289p.

[redacted] put on 6 at [redacted] as UBS took the stock off its [redacted] arguing that the shares had underperformed [redacted] broad market and the company's brand investment was poised to improve. The house [redacted] that [redacted] company which [redacted] per cent of its cash [redacted] would benefit from [redacted] stronger dollar – UBS has a currency forecast of $1.30 to [redacted] pound for [redacted].

A [redacted] trading [redacted] from [redacted] Lyle confirmed [redacted] opinion of [redacted] in the market that the stock looked overbought [redacted] shares [redacted] 14 [redacted] 439p. There [redacted] a big switch by [redacted] institution out of [redacted], down 9 at [redacted] and into Whitbread, steady at [redacted].

[redacted] Group raced up 14 to [redacted] following a positive outlook on [redacted] prospects at [redacted] Panmure Gordon defence conference. British Aerospace benefited from similar sentiment [redacted] the [redacted] meeting and firmed [redacted] 438p.

Shares in British Airways fell 7 [redacted] 464p in trade [redacted] after James Capel urged inves-[redacted] switch out of the stock and into BAA, which [redacted] said was undervalued. The UK airports operator [redacted] 1032p [redacted] advice, [redacted] volume reaching 1.3m.

NFC [redacted] 2 [redacted] 282p [redacted] that [redacted] of [redacted] large Scottish institutions had [redacted] big line of stock [redacted] offer.

MARKET REPORTERS: Christopher Price, [redacted] John, Joel Kibazo, [redacted] Thompson.

[redacted] statistics, [redacted] 21

NEW HIGHS AND LOWS FOR 1993/94

NEW HIGHS (251).

BANKS (3) ANZ, Natl. Australia, Westpac, BREWERIES (1) Marston Thompson, BUILDING & CNSTRN (9) AMEC, Do 6.5p Pf., Ashtead, Avonside, Brandon Hire, Campbell & Armstrong, Maunders (J), Wiggins, Wimpey (G), BLDG MATLS & MCHTS (6) Alumasc, Grafton, Lafarge Coppee, Meyer Intl., Wickes, CHEMICALS (2) Perstorp B, Wolstenholme Rink, DISTRIBUTORS (14) DIVERSIFIED INDLS (3) Antofagasta, Armour Trust, BTR Nylex, Charter, Pacific Dunlop, ELECTRICITY (9) East Midlands, London, Manweb, Midlands, Northern, Norweb, South Wales, South Western, Yorkshire, ELECTRNC & ELECT EQUIP (10) ENGINEERING (16) ENG. VEHICLES (5) Avon Rubber, Caverdale, Laird, T&N, Trinny, EXTRACTIVE INDS (7) Caledonia Mng., Equatorial Mng., MIM, Niugini Mng., Samson Explm., Waverley, Westralian Res., FOOD MANUF (2) HEALTH CARE (4) Assoc. Nursing Servs., Biotrace, Court Cavendish, M.L. Labrs., HOUSEHOLD GOODS (9) Coloroll & Fowler, Kitty Little, Paterson Zochonis, Do N/V, Relyon, Royal Doulton, INSURANCE (1) Lowndes Lambert, INVESTMENT TRUSTS (47) INVESTMENT COMPANIES (3) LEISURE & HOTELS (8) LIFE ASSURANCE (2) Britannic, Transatlantic, MEDIA (22) MERCHANT BANKS (2) Warburg (SG), Wintrust, OIL EXPLORATION & PROD (1) Brit. Borneo, OIL, INTEGRATED (1) Petrofina, OTHER FINANCIAL (10) OTHER SERVS & BUSNS (4) Filofax, Rodime, Scapa, UDO, PHARMACEUTICALS (1) Elan, PRTNG, PAPER & PACKG (4) Lawson Mardon, Low [redacted] Bonar, Regent A, Somic, [redacted] (13) [redacted], GENERAL ([redacted]) [redacted] (N), Cantors, MFI, Oliver, Partridge Fine Arts, Sears, [redacted] SERVS (6) ADT, ISS–Intl Serv., Johnson Cleaners, MITIE, Nissa, Select Appts., [redacted] (1) Securicor N/V, TEXTILES & APPAREL (4) Allied Textile, Caldwell, Leslie Wise, Parkland, TRANSPORT (5) WATER (3) Bristol, East Surrey, Mid Kent, SOUTH AFRICANS (1) Tongaat-Hulett,

NEW LOWS (6).

INSURANCE (1) Aon Corp., OTHER FINANCIAL (2) Berry, Birch & Noble, Policy Portfolio, PROPERTY (1) Chelsfield, RETAILERS, GENERAL (1) Burton, [redacted] (1) General [redacted]

EQUITY FUTURES AND [redacted] TRADING

A lacklustre day in the [redacted] saw the March futures contract breach its recent support level as *Wednesday's disappointing* gilts auction [redacted] to cast [redacted] shadow over the market, *writes Joel Kibazo.*

The sombre mood that followed the gilts auction failed to deter the early bargain hunters for the March contract on the FT-SE 100. Moving gently forward, it reached the day's high of *3,456 at mid-morning.*

As the buying orders were completed, dealers turned [redacted] the continuing [redacted] in [redacted] markets. The [redacted] the upper hand and [redacted] retreat, falling through its recent 3,450 support [redacted] and pulling the underlying [redacted] *lower.*

[redacted] opening on Wall [redacted] only [redacted] increase [redacted] selling [redacted] the [redacted] the low of the day of 3,427, more or [redacted] in [redacted] with the [redacted] but [redacted] discount [redacted] value premium [redacted] of [redacted] 7 points. Volume, [redacted] 8,725 lots, was dull.

Turnover in [redacted] options [redacted] 42,788 [redacted] from Wednesday's 50,704, with 14,087 [redacted] in [redacted] FT-SE 100 option and 3,005 in the Euro FT-SE option.

British Steel once again led the league table of active stock options [redacted] 3,523), [redacted] the day's trading done in the April calls and puts. It was followed by National Westminster Bank, at 2,280 contracts, and Storehouse, [redacted] 2,170. A big [redacted] of [redacted] responsible for the majority of the turnover in Argyll Group and it finished [redacted] 1,814 [redacted].

FT-SE 100 INDEX FUTURES (LIFFE) £25 per full index point

	[redacted]	Sett price	[redacted]	[redacted]	Low	Est. vol	Open int.
[redacted]	[redacted]	[redacted]	-14.0	[redacted]	[redacted]	12243	[redacted]
Jun	[redacted]	[redacted]	-14.5	[redacted]	[redacted]	930	[redacted]
[redacted]	-	[redacted]	-14.0	-	-	[redacted]	300

Contract traded on APT. Open interest figures are for previous day.

FT-SE 100 INDEX OPTION (LIFFE) (*3426) £10 per full index point

	3250 C	3250 P	3300 C	3300 P	3350 C	3350 P	3400 C	3400 P	3450 C	3450 P	3500 C	3500 P	3550 C	3550 P	3600 C	3600 P
[redacted]	187½	8	142½	13	101½	23	[redacted]	39	41	63	23	96	12½	137½	[redacted]	187½
Mar	209½	24	161	34½	124	[redacted]	93	65½	[redacted]	90½	46	[redacted]	[redacted]	[redacted]	18½	195
Apr	213½	36½	176½	49½	141	[redacted]	112	84½	[redacted]	106	64½	[redacted]	[redacted]	[redacted]	32	206
May	224	52	196	63½	164	81½	133½	101	108	123½	85	151½	84½	182½	50½	219
Jun†			212	74			180	110½			99½	160½			62	223½

Calls 7,803 Puts 5,890

EURO STYLE FT-SE 100 INDEX OPTION (LIFFE) £10 per full index point

	3275 C	3275 P	3325 C	3325 P	3375 C	3375 P	3425 C	3425 P	3475 C	3475 P	3525 C	3525 P	3575 C	3575 P	3625 C	3625 P
Feb	164½	[illegible]	[redacted]	17	85½	[redacted]	53	[redacted]	30	[redacted]	17	112½	8½	170	[redacted]	[redacted]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Apr	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	27½	221
Jun	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[redacted]	234½
Sep†	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[redacted]	251

Calls 1,557 Puts 1,452 * Underlying index value. Premiums shown are based on settlement prices. † Long dated expiry months.

FT-SE Actuaries Share Indices — The UK Series

	Jan 27	Day's chge%	Jan 26	Jan 25	Jan 24	[redacted]	Div. yield%	Earn. yield%	P/E [redacted]	Xd adj. ytd	[redacted]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FT-SE Actuaries All-Share

	Jan 27	Day's chge%	Jan 26	Jan 25	Jan 24	[redacted]	Div. yield%	Earn. yield%	P/E ratio	Xd adj. ytd	[redacted]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Hourly movements

	Open	9.00	10.00	11.00	12.00	13.00	14.00	15.00	[illegible]	High/day	Low/day
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FT-SE Actuaries 350 Industry baskets

	Open	9.00	10.00	11.00	[illegible]	[illegible]	[illegible]	15.00	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

TRADING VOLUME

Major [redacted]

	Vol. 000s	Closing price	Day's change
[illegible]	[illegible]	[illegible]	[illegible]

[redacted] EQUITIES

LIFFE EQUITY OPTIONS

[illegible]	[illegible]	[illegible]	[illegible]

RISES AND FALLS YESTERDAY

	Rises	Falls	[redacted]
British Funds	1	[redacted]	[redacted]
Other Fixed Interest	0	[redacted]	5
Mineral Extraction	91	[redacted]	79
[illegible]	[illegible]	[illegible]	[illegible]

LONDON RECENT ISSUES: EQUITIES

[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

[illegible]	[illegible]	[illegible]	[illegible]

RIGHTS OFFERS

[illegible]	[illegible]	[illegible]	[illegible]

FINANCIAL TIMES EQUITY INDICES

[illegible]	[illegible]	[illegible]	[illegible]

TRADITIONAL OPTIONS

[illegible]

LONDON SHARE SERVICE

BANKS

	Notes	Price	+ or -	1993/94 high	low	Mkt Cap£m	Yld Gr's	P/E
ABN Amro Fl		£23½	-⅛	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ANZ A$		235	+1½	236	120	3,338	3.6	♦
Abbey National	†	504	-2	524	345	6,607	[illegible]	19.4
Allied Irish I£		296		314	179	1,989	3.5	15.2
Anglo Irish I£		67xd		79	29	[illegible]	[illegible]	♦
Asahi Y		692	+4½	[illegible]	[illegible]	16,055	0.6	-
Banco Bil Viz Pts		£15¼		[illegible]	£13½	3,636	[illegible]	7.1
Banco Sant Pts		£32½		[illegible]	£24½	3,589	4.1	[illegible]
Bank Leumi AWO		375		[illegible]	325	29.8	5.7	-
Bk Ireland I£		308		319	177	1,451	4.0	22.7
Bank Scotland		241		247	116½	2,805	2.4	32.7
9¼pc Pf		140		148½	117½	140.0	6.3	-
9¾pc Pf		147		147½	123½	147.0	6.3	-
Barclays		618	-7	632	362	10,000	2.6	-
Dai Ichi Kan Y		£11½		[illegible]	[illegible]	[illegible]	0.5	[illegible]
Deutsche DM		£308¾	+1½	[illegible]	£250½	[illegible]	2.0	-
Espirito Santo		£24½		[illegible]	£16½	[illegible]	[illegible]	[illegible]
First Nat Fin		90xd	+1	99	45	[illegible]	2.1	♦
6.3pc Cv Pf		88xd		91	[illegible]	5.82	9.9	-
7pc Cv Pf		166xd	+1½	167½	[illegible]	78.8	[illegible]	-
Fuji Bank Y		1247	-39½	[illegible]	[illegible]	[illegible]	[illegible]	-
HSBC Hk	†	984	+24	1007	474	[illegible]	2.5	23.5
HSBC (75p Shs)	†	985	+22	[illegible]	490	[illegible]	2.6	23.1
Lloyds	†	629	-1	[illegible]	392	8,076	[illegible]	18.0
Mitsubishi Y		£17½	+¼	£19¼	£11½	51,402	0.3	-
Mits Tst & Bk Y		848	+7½	1012½	462½	10,984	0.6	13.5
Mitsui Tst & Bk Y		673½	+12½	692	372	8,071	[illegible]	[illegible]
Nat Aus A$		601¼	+3¼	601¼	322	7,771	3.8	♦
NatWest	†	586	-8	604	390	9,739	3.8	35.6
Ottomane FFr		£32¼	-⅛	533	£23½	163.8	4.6	9.6
Ryl Bk Scotland		481xd	-7	482	207	3,819	2.9	21.7
Sakura Y		£8½		531	25½	29,827	0.6	[illegible]
Sanwa Y		£12½		576	27½	38,011	0.4	-
[illegible]		[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

BREWERIES

[illegible]

BUILDING & CONSTRUCTION

[illegible]

BUILDING MATS. & MERCHANTS

[illegible]

BUILDING MATS. & MERCHANTS - Cont.

[illegible]

CHEMICALS

[illegible]

DISTRIBUTORS

[illegible]

DIVERSIFIED INDUSTRIALS

[illegible]

ELECTRICITY

[illegible]

ELECTRONIC & ELECTRICAL EQPT

[illegible]

ELECTRONIC & ELECTRICAL EQPT - Cont.

[illegible]

ENGINEERING

[illegible]

ENGINEERING, VEHICLES

[illegible]

ENGINEERING, VEHICLES - Cont.

[illegible]

EXTRACTIVE INDUSTRIES

[illegible]

FOOD MANUFACTURERS

[illegible]

GAS DISTRIBUTION

[illegible]

HEALTH CARE

[illegible]

HOUSEHOLD GOODS

[illegible]

INSURANCE

[illegible]

INVESTMENT TRUSTS

[illegible]

INVESTMENT TRUSTS - Cont.

[illegible]

LONDON SHARE SERVICE

INVESTMENT TRUSTS - Cont.

INVESTMENT COMPANIES

LEISURE & HOTELS

LEISURE & HOTELS - Cont.

LIFE ASSURANCE

MEDIA

MERCHANT BANKS

OIL EXPLORATION & PRODUCTION

OIL, INTEGRATED

OTHER FINANCIAL

OTHER SERVICES & BUSINESSES

PHARMACEUTICALS

PRINTING, PAPER & PACKAGING

PROPERTY

PROPERTY - Cont.

RETAILERS, FOOD

RETAILERS, GENERAL

SPIRITS, WINES & CIDERS

SPIRITS, WINES & CIDERS - Cont.

SUPPORT SERVICES

TELECOMMUNICATIONS

TEXTILES & APPAREL

TOBACCO

TRANSPORT

TRANSPORT - Cont.

WATER

AMERICANS

CANADIANS

SOUTH AFRICANS

GUIDE TO LONDON SHARE SERVICE

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xi ex capital distribution.

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AUTHORISED UNIT TRUSTS

Guide to pricing of Authorised Unit Trusts

Compiled with the assistance [illegible] Lautro §§

INITIAL CHARGE: Charge made on sale of units. Used to defray marketing and administrative costs, including commission paid to intermediaries. This charge is included in the price of units.

OFFER PRICE: Also called issue price. The price at which units are bought by investors.

BID PRICE: Also called redemption price. The price at which units are sold back by investors.

CANCELLATION PRICE: The minimum redemption price. The maximum spread between the offer and bid prices is determined by a formula laid down by the government. In practice, most unit trust [illegible] quote a much narrower spread. As a result, the bid price is often set above the cancellation price. However, the bid price might be moved to the cancellation price by the managers at any time, usually in circumstances in which there is a large excess of sellers of units over buyers.

TIME: The time shown alongside the fund manager's name is the time of the unit trust's valuation point unless another time is indicated by the symbol alongside the individual unit trust name. The symbols are as follows: (♥) - 0001 to 1100 hours; (♠) - 1101 to 1400 hours; (♦) - 1401 to 1700 hours; (♣) - 1701 to midnight. Daily dealing prices are set on the basis of the valuation point, a short period of time may elapse before prices become available.

HISTORIC PRICING: The letter H denotes that the managers will normally deal on the price set on the most recent valuation. The prices shown are the latest available before publication and may not be the current dealing levels because of an intervening portfolio revaluation or a switch to a forward pricing basis. The managers must deal at a forward price on request, and may move to forward pricing at any time.

FORWARD PRICING: The letter F denotes that the managers deal at the price to be set on the next valuation. Investors can be given no definite price in advance of the purchase or sale being carried out. The prices appearing in the [illegible] are the most recent provided by the [illegible]

[illegible] PARTICULARS AND [illegible]: The most recent report and [illegible] can be obtained free of [illegible] fund managers.

Other explanatory notes are contained in the last col[illegible] the FT Managed [illegible] Service.

§§ Life Assurance and Unit Trust Regulatory Organisation,
Centre Point,
103 New [illegible]
Tel: 071-379-0444.

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INSURANCES

OTHER UK UNIT TRUSTS

FT MANAGED FUNDS SERVICE

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	Bid Price	Offer Price	+ or -	Yield Gross
Royal Life Insurance Ltd				
New Hall Place, Liverpool L69 3HS 051-[illegible] 3000				
Royal Shield Fd	954.6	1052.4	—	—
Royal Life (Unit Linked Assurances) Ltd				
Managed Fund	396.5	417.4	+0.1	—
Equity Fund	577.6	607.8	-1.1	—
Property Fund	306.2	322.3	-0.1	—
International Fund	493.6	519.5	+0.3	—
Gilt Fund	382.6	402.7	-1.7	—
Money Fund	216.6	228.0		—
United States Fund	256.8	270.1	-0.7	—
Pacific Basin	301.6	317.3	-4.8	—
Royal Life (Unit Linked Pension Fds) Ltd				
Exempt Man Fd Acc	490.4	516.2	+0.1	—
Exempt Equity Fd Acc	868.9	914.6	-3.2	—
Exempt Prop Fd Acc	314.9	331.4		—
Exempt Intl Fd Acc	805.3	847.8	+7.8	—

	Bid Price	Offer Price	+ or -	Yield Gross
Skandia Life Assurance Co Ltd (z)				
Skandia Hse, Portland Terr, Southampton 0703 334411				
Skandia Valuation Line 0800 181306				
Life Managed Funds				
Skandia Cautious	148.2	156.0	-0.8	—
Skandia Balanced	389.7	410.2	-1.0	—
Skandia Distribution	120.1	126.4	-0.5	—
Skandia Ethical Selection	126.7	133.3	+0.2	—
Skandia Deposit	260.3	273.9	+0.1	—
Abtrust Managed	135.5	142.6	-0.2	—
Baring Managed	149.1	156.9	-0.4	—
CU Managed	250.4	263.5	-1.0	—
Fidelity Managed	214.5	225.7	-0.2	—
Fleming Managed Inv Tst	148.7	156.5	—	—
F & C Investment Trust	190.6	200.6	-0.8	—
Framlington Managed	244.4	257.2	-0.3	—

	Bid Price	Offer Price	+ or -	Yield Gross
Teachers' Assurance Company Ltd				
12 Christchurch Rd, B'mouth BH1 3LW 0202 291111				
Managed Fund	369.0	388.4	—	—
Gilt & Fixed Int Fd	247.4	260.4	—	—
Cash Fund	195.2	205.6	—	—
Pensions Managed	204.3	215.1	—	—
Pensions Cash	164.3	173.0	—	—
Templeton Life Assurance Limited				
80 Union Street, Oldham OL1 1DT 061-674 7293				
Global Growth	197.11	208.70	—	—
Global Enterprise	209.49	221.72	—	—
Global Managed	187.77	199.76	—	—
Global Fixed Interest	146.51	155.90	—	—
Sterling Haven	122.79	130.60	—	—
Plan 2000 (Time)	216.32	216.32	—	—
Tax Exempt (Time)	124.67	128.42	—	—

	Bid Price	Offer Price	+ or -	Yield Gross
Isle of Man Assurance Ltd				
IOMA House, Prospect Hill, Douglas, IoM 0624 624141				
Holiday Property Bond	£0.00	0.81	—	—
Lebrow International Group				
Fund of Funds	£1.97	2.12	—	—
Hazard Pearls High Yield	Pta126.0		—	—
Fixed Interest	£2.00	2.15	—	—
Managed Income	0.431	0.518	—	—
PanEuroLife societe anonyme				
38 Av Marie-Therese, Luxembourg 010 352 456730				
French Balanced Jan 26	FFr6724.35		-47.04	—
German Balanced Jan 5	DM2635.98		-9.38	—
Global Equities Jan 26	$1135.22		-0.46	—
UK Secure Gth Jan 26	£645.17		+5.00	—
Intl Asset Estate Jan 26	Ecu1623.50		+11.40	—

OFFSHORE AND OVERSEAS

BERMUDA (SIB RECOGNISED)

Fidelity Money Funds

Pembroke Hall, Pembroke, Bermuda

	Init Chrge	Canc Price	Bid Price	Offer Price	+ or -	Yield Grs
Royal Bank of Canada Offshore Fd Mgrs Ltd						
PO Box 246, St Peter Port, Guernsey 0481 723021						
Sterling Cash	0		£-	11.303	—	—
Intl Capital Appreciation	5		$-	7.103	7.703	—
Far East & Pacific Fd	5		$-	63.020	63.943	—
North America Fd	5		$-	22.760	24.221	-0.040
Canadian Fd	5		C$-	19.663	21.163	-0.340
Intl Bond Fd	5		$-	14.1929	14.948	—
European Fund	5		£-	13.157	14.626	—
Bristol Fund	5		£-	5.968	6.387	—
Intl Currencies Fd Ltd						
US$			$-		39.24	+0.01	2.97
Canadian $			C$-		58.58	+0.01	2.85
£ Sterling			£-		28.08		4.12
D-Mark			DM-		84.93	+0.01	4.79
Swiss Francs			SFr-		92.37	—	2.82
Japanese Yen			Y-		8440	—	0.88
Managed Fund			$-		42.80	—	—

Latest Fund Prices 24hr service 0481 710043

	Init Chrge	Canc Price	Bid Price	Offer Price	+ or -	Yield Grs
Sarasin Funds Mngmt (Guernsey) Ltd						
PO Box 246, St Peter Port, Guernsey 0481 723021						
GlobalGar Dollar Accum	5		$-	28.83	30.60	-0.09	—
GlobalGar Dollar Dist	5		$-	28.42	30.16	-0.08	2.15
GlobalGar Accum £	5		£-	19.10	20.24	-0.05	3.17
Accum Units	5		£-	21.00	22.29	-0.05	—
Schroder Investment Mngmt (Guernsey) Ltd						
PO Box 255, St Peter Port, Guernsey 0481 710881						

GUERNSEY (REGULATED)(**)

GT Asset Management - Contd.

Morgan Grenfell Investment Funds Ltd (u)

20 Finsbury Circus, London EC2M 1UT

Unibank Scandinavian Fund Ltd

ISLE OF MAN (REGULATED)(**)

AYC Fund Management Ltd

AXA Equity & Law Intl Fund Mgs

BERMUDA (SIB RECOGNISED)

CANADA (SIB RECOGNISED)

GUERNSEY (SIB RECOGNISED)

OFFSHORE INSURANCES

MANAGEMENT SERVICES

IRELAND (SIB RECOGNISED)

IRELAND (REGULATED)(**)

ISLE OF MAN (SIB RECOGNISED)

JERSEY (SIB RECOGNISED)

JERSEY (REGULATED)(**)

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● FT Cityline Unit Trust Pr[illegible] over [illegible] telephone. Call the FT Cityline Help [illegible] on (071) 873 4378 for more [illegible].

Foreign & Colonial Mngmt (Jersey) Ltd

Greece Fund Ltd

John Govett Management (Jersey) Ltd

INVESCO International Limited

Commercial Union Luxembourg SA - Contd.

DB Investment Management SA

Schroder International Selection Fd

Scottish Equitable Intl Fund SICAV

LUXEMBOURG (SIB RECOGNISED)

LUXEMBOURG (REGULATED)(**)

SWITZERLAND (SIB RECOGNISED)

OTHER OFFSHORE FUNDS

MANAGED FUNDS NOTES

CURRENCIES AND MONEY

MARKETS REPORT

Yen gains against dollar

The yen gained ground yesterday against the dollar as political and [illegible] uncertainty in Japan remained [illegible] focus of currency market attention, *writes Philip Gawith.*

Although the Japanese currency [illegible] slightly firmer, the market remains unable to [illegible] a [illegible] view on [illegible] ahead. Two parallel sets [illegible] events - US/Japan trade talks, and the troubles of the government - continue to pull the market in opposite directions.

Meanwhile, the Bank of France's newly formed monetary council yesterday kept the market in the dark by declining to reveal whether or not it had made a decision on [illegible] lowering of interest rates.

● The yen closed in London at Y109.415 to the dollar, up from Wednesday's close of Y110.420, bolstered by bearish comments from [illegible] Lloyd Bentsen, [illegible] treasury secretary. Mr Bentsen complained about the low level of import penetration [illegible] Japan [illegible] action was required to help the economy. [illegible] penetration by foreign products in Japan [illegible] too low. Likewise with foreign investment levels," Mr Bentsen said in remarks for delivery to the US Chamber of Commerce.

There is, however, a view in the market that if a fiscal package looks like being delayed, the Bank of Japan [illegible] be forced to step in and offer an economic stimulus by lowering interest rates. This gained support yesterday from a report quoting a Bank of Japan official saying exchange [illegible] should reflect fundamentals rather than politics.

IDEA, in [illegible] financial markets commentary, said the statement meant that the "*BOJ is ready to step in if yen gains* accelerate". There are [illegible] reports that the [illegible] enjoys support [illegible] Y109.05 from buy orders placed by Japanese life offices.

Mr Hosokawa, meanwhile, said he would not hang on to [illegible] his political [illegible] package was thwarted. Analysts said this increased the prospect of an early [illegible] The four-bill reform package must pass by tomorrow, when the parliamentary session ends, or it will lapse.

■ One angle to the Japanese story is whether it will check the rise of the Australian dollar which closed yesterday in London [illegible] nearly 11 per cent from [illegible] at the end of October. Mr Chris Turner, currency strategist at BZW, said [illegible] Australian dollar, which [illegible] now looking overbought, should be sensitive to events in Japan which takes about 25 per cent of Australian exports.

While the Australian currency has already factored in the weak state of the Japanese [illegible], observers believe it would take a knock if the Japa[illegible] government fails to pass a political and economic package.

● Analysts expressed surprise that the US *dollar did not* make further ground after the release of strong durable goods sales figures. Apart from weakening against the yen, it also closed lower against the *D-Mark, down [illegible] DM1.7441* from Wednesday's close of DM1.[illegible] Analysts said [illegible] were unwilling to take long dollar positions while Japanese policy remained on hold.

The market is expecting a good number today when US 4th quarter GDP figures are released. Expectations range from 4 per cent to 7 per cent.

● Sterling [illegible] slightly lower, finishing in London at DM2.6031 compared to DM2.6089 on Wednes[illegible] $1.4925 from $1.4926. [illegible] said the strong economic signals of recent weeks had tailed off in the last few days. [illegible] further technical factor keeping it down was its repeated failure to break through the $1.50 level.

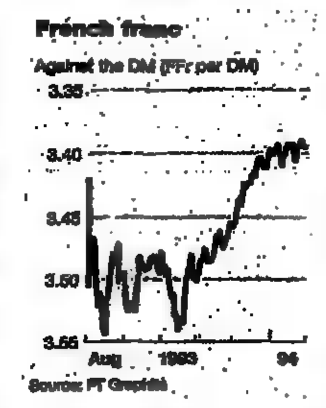
● Mr [illegible] Trichet, [illegible] of [illegible] Bank of [illegible], yesterday announced the Bank's monetary targets for 1994, but kept silent on the question of interest rate cuts. He said the central bank's policy council had decided to target average annual M3 growth at around five percent [illegible] roughly four years. French M3 rose by only 1.4 per cent last [illegible] excluding exceptional items, in spite of a target range of [illegible] per cent to 6.5 per cent.

Mr Trichet declined to make any predictions on official rates saying: "It is the privilege of central bankers never to say anything in advance." He said the Bank of France's monetary policy objective in 1994 was to maintain price stability. Mr Turner of BZW said he didn't think there was any large cur[illegible] in [illegible] Bank's announcement [illegible] than the Bank "making clear that it had no intention of delinking policy from the Bundesbank."

● Many Turkish banks refrained yesterday from dollar trading with the market thrown into disarray by the government's 11.97 per cent devaluation of the Turkish lira. Bankers said the central bank wanted to show it had a firm grip on currency markets with early action, after 10 days of turmoil which sent the lira *plunging against the* [illegible]. The bank intervened in the market selling dollars and pushing it down to TL16,000 from TL18,000, but the dollar rose again to close at TL16,000-*16,500.*

● The Bank of England yesterday provided the UK money market with about £950m of late assistance. Earlier in the day the Bank had provided the market with £481m [illegible] The revised liquidity shortage was £1.55bn, up from an earlier [illegible] of [illegible]

● German call money rose [illegible] the Bundesbank withdrew DM7bn via its weekly [illegible] for [illegible] repurchase funds. [illegible] quoted call money at between 6.50 and 6.65 per cent.



French franc

Against the DM (FFr per DM)

Source: FT Graphite

■ Pound in New York

Jan 27	Latest	Prev. close
£ spot	1.4930	1.4945
1 mth	1.4928	1.4915
3 mth	1.4911	1.4883
1 yr	1.4778	1.4722

POUND SPOT FORWARD AGAINST THE POUND

Jan 27		Closing mid-point	Change on day	Bid/offer spread	Day's Mid high	low	One month Rate	%PA	Three months Rate	%PA	One year Rate	%PA	Bank of Eng. Index
Europe													
Austria	(Sch)	18.2986	-0.0341	[illegible] - 070	[illegible]	18.2921	[illegible]	-0.2	[illegible]	[illegible]	-	-	113.1
[illegible]	(BFr)	53.7316	-0.3083	864 - 766	54.0881	53.7766	53.7986	-1.5	53.9315	-1.5	54.2985	-1.1	113.6
[illegible]	[illegible]	10.1072	-0.0245	029 - 115	10.1489	10.1029	10.1177	-1.2	10.1287	-0.9	10.1298	-0.2	114.4
Finland	[illegible]	8.3957	+0.0208	421 - 492	8.4016	8.3421	-	-	-	-	-	-	81.6
France	[illegible]	[illegible]	-0.017	331 - 398	8.8853	8.8298	8.8486	-1.0	8.8546	-0.8	8.8726	-0.4	[illegible]
[illegible]	[illegible]	[illegible]	-0.0058	021 - 040	2.6155	[illegible]	2.6047	-0.7	[illegible]	[illegible]	2.6088	-0.1	121.7
Greece	(Dr)	373.872	-0.534	498 - 245	374.897	373.498	-	-	-	-	-	-	-
Ireland	(I£)	[illegible]	-0.0021	377 - 393	1.0417	[illegible]	[illegible]	[illegible]	[illegible]	-0.6	[illegible]	-0.5	104.2
Italy	(L)	2539.04	+1.03	778 - [illegible]	2546.33	2536.98	2545.19	-2.9	2557.89	-3.0	2604.09	-2.6	76.0
Luxembourg	(LFr)	[illegible]	[illegible]	864 - 766	54.0881	53.8884	[illegible]	-1.5	53.9315	-1.5	54.2985	-1.1	113.6
[illegible]	(Fl)	[illegible]	-0.0054	183 - 180	2.9247	[illegible]	2.9186	[illegible]	[illegible]	-0.1	2.9071	0.3	117.6
Norway	[illegible]	[illegible]	[illegible]	[illegible]	11.2348	11.1878	11.1895	[illegible]	11.1843	[illegible]	11.1911	[illegible]	[illegible]
[illegible]	(Es)	[illegible]	[illegible]	998 - 539	262.819	260.986	262.539	[illegible]	[illegible]	[illegible]	-	-	-
Spain	[illegible]	[illegible]	-1.141	[illegible]	[illegible]	[illegible]	[illegible]	-3.4	211.949	-3.3	216.109	[illegible]	[illegible]
Sweden	[illegible]	[illegible]	-0.0147	727 - 922	[illegible]	[illegible]	[illegible]	-2.4	[illegible]	[illegible]	[illegible]	-1.4	[illegible]
Switzerland	(SFr)	2.1949	-0.0027	938 - 959	2.2029	2.1958	2.1926	1.1	2.1878	1.3	2.1641	1.4	117.3
UK	(£)	-	-	-	-	-	-	-	-	-	-	-	82.2
Ecu	-	1.3388	-0.0018	387 - 398	[illegible]	[illegible]	[illegible]	-1.1	[illegible]	-1.0	[illegible]	-0.5	-
SDR†	-	0.919120	-	-	-	-	-	-	-	-	-	-	-
Americas													
Argentina	(Peso)	1.4922	-0.0003	918 - 925	1.4960	1.4919	-	-	-	-	-	-	-
Brazil	(Cr)	660.446	+11.138	306 - 586	662.007	660.000	-	-	-	-	-	-	-
[illegible]	[illegible]	[illegible]	-0.0034	568 - 581	1.9676	[illegible]	1.9549	1.5	1.9493	1.6	1.9538	1.2	92.5
Mexico	(New Peso)	[illegible]	+0.0021	355 - 404	[illegible]	[illegible]	-	-	-	-	-	-	-
USA	($)	1.4925	-0.0001	922 - 928	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	2.1	1.4706	[illegible]	[illegible]
Pacific/Middle East/Africa													
Australia	[illegible]	2.1036	-0.0006	017 - 055	2.1132	2.0953	2.1021	0.8	[illegible]	0.7	2.0978	0.3	-
Hong Kong	[illegible]	11.5281	+0.0008	250 - 311	11.5583	11.5250	11.5064	2.3	[illegible]	1.9	11.3719	1.4	-
India	(Rs)	46.8141	[illegible]	991 - 291	46.9260	46.7991	-	-	-	-	-	-	-
Japan	(Y)	163.302	-1.506	217 - 387	164.970	162.960	162.902	2.9	162.032	3.1	158.337	3.0	179.9
Malaysia	(M$)	4.1119	+0.0048	095 - 142	4.1260	4.1065	-	-	-	-	-	-	-
New Zealand	(NZ$)	2.6247	+0.0004	230 - 263	2.6319	2.6225	2.6276	-1.3	2.6319	-1.1	2.6405	-0.6	-
Philippines	[illegible]	[illegible]	-0.0014	355 - 491	41.6491	41.0355	-	-	-	-	-	-	-
Saudi Arabia	[illegible]	[illegible]	+0.0001	955 - 993	5.6091	5.5956	-	-	-	-	-	-	-
[illegible]	[illegible]	[illegible]	-0.0018	845 - 870	2.3908	2.3845	-	-	-	-	-	-	-
S Africa (Com.)	(R)	5.1037	+0.0033	018 - 058	5.1217	5.0978	-	-	-	-	-	-	-
S Africa (Fin.)	(R)	6.5638	-0.0152	545 - 721	6.5955	6.5546	-	-	-	-	-	-	-
[illegible]	[illegible]	1206.17	-0.83	585 - 648	1208.77	1205.85	-	-	-	-	-	-	-
Taiwan	[illegible]	39.4542	-0.0238	388 - 696	39.5700	39.4388	-	-	-	-	-	-	-
Thailand	[illegible]	38.0140	-0.0237	914 - 365	38.0750	38.0210	-	-	-	-	-	-	-

†SDR rate for Jan 26. Bid/offer spreads in the Pound Spot table show only the last three decimal places. Forward rates are not directly quoted to the market but are implied by current interest rates. Sterling index calculated by the Bank of England. Base average 1985 = 100. Bid, Offer and Mid-rates in both this and the Dollar Spot tables derived from THE WM/REUTERS CLOSING SPOT RATES. Some values are rounded by the F.T.

DOLLAR SPOT FORWARD AGAINST THE DOLLAR

Jan 27		Closing mid-point	Change on day	Bid/offer spread	Day's mid high	low	One month Rate	%PA	Three months Rate	%PA	One year Rate	%PA	Morgan G'ty Index
Europe													
[illegible]	[illegible]	[illegible]	-0.0225	565 - 635	12.2760	12.2450	[illegible]	-2.3	12.3257	-2.1	[illegible]	-1.4	102.6
Belgium	[illegible]	[illegible]	-0.204	780 - 240	36.1600	35.9800	36.111	-3.7	36.331	-3.7	[illegible]	-2.6	102.9
Denmark	[illegible]	[illegible]	-0.0162	705 - 735	6.7904	6.7703	6.7915	-3.5	6.8222	-3.0	[illegible]	-1.8	103.3
Finland	(FM)	[illegible]	+0.0142	905 - 600	5.6281	5.5905	5.6351	-2.1	5.6478	-1.6	[illegible]	-1.3	78.8
France	(FFr)	[illegible]	-0.0112	195 - 215	5.9313	5.9172	5.936	-3.1	5.9644	-3.0	6.0355	-1.9	104.0
Germany	(D)	[illegible]	-0.0039	438 - 444	1.7483	1.7428	1.7482	-2.9	1.7557	-2.7	1.7725	-1.6	103.5
[illegible]	(Dr)	[illegible]	-0.35	[illegible] - 700	250.900	250.350	253.5	-14.4	260.75	-16.4	291.5	-16.4	71.6
Ireland	[illegible]	1.4372	+0.0028	364 - 380	1.4399	1.4340	1.4338	2.8	1.4276	2.7	1.4095	1.9	-
Italy	[illegible]	1701.20	+0.75	070 - 170	1704.25	1699.78	1709.4	-6.1	1723	-5.1	1770.7	-4.1	76.8
[illegible]	[illegible]	36.0010	-0.204	780 - 240	36.1600	35.9780	36.111	-3.7	36.331	-3.7	36.921	-2.6	102.9
Netherlands	(Fl)	[illegible]	-0.0036	537 - 547	1.9570	1.9528	1.9577	-2.2	1.9638	-2.0	1.9766	-1.1	103.1
Norway	(NKr)	[illegible]	[illegible]	985 - 015	[illegible]	[illegible]	[illegible]	-1.8	7.533	-1.8	[illegible]	-1.3	94.6
Portugal	(Es)	[illegible]	-0.425	900 - 200	175.500	174.900	176.06	-6.9	178.09	-6.9	185.6	-6.0	94.3
[illegible]	(Pta)	140.850	[illegible]	800 - 900	141.600	140.600	141.535	-5.8	142.77	-5.5	146.86	-4.3	80.6
[illegible]	[illegible]	[illegible]	[illegible]	565 - 664	[illegible]	7.9578	[illegible]	-4.2	8.04	-3.9	[illegible]	-2.9	82.8
[illegible]	[illegible]	[illegible]	[illegible]	702 - 710	[illegible]	1.4690	[illegible]	-1.0	1.4737	-0.8	[illegible]	-0.1	104.1
UK	(£)	[illegible]	[illegible]	[illegible]	[illegible]	1.4920	[illegible]	2.2	1.4846	2.1	[illegible]	[illegible]	91.4
Ecu	-	[illegible]	[illegible]	142 - 147	[illegible]	1.1112	1.1115	[illegible]	[illegible]	3.1	[illegible]	2.0	-
SDR†	-	1.37628	+0.0035	628 - 628	-	-	-	-	-	-	-	-	-
Americas													
[illegible]	[illegible]	[illegible]	[illegible]	997 - 998	0.9997	[illegible]	-	-	-	-	-	-	-
Brazil	(Cr)	442.510	+7.477	505 - 515	442.515	442.485	-	-	-	-	-	-	-
Canada	(C$)	1.3115	-0.0023	112 - 117	1.3155	1.3095	1.3122	[illegible]	1.3131	[illegible]	1.316	-0.3	88.8
[illegible]	(New Peso)	[illegible]	[illegible]	065 - 085	3.1085	3.1055	[illegible]	[illegible]	[illegible]	-0.6	3.1225	-0.5	-
USA	($)	-	-	-	-	-	-	-	-	-	-	-	102.2
Pacific/Middle East/Africa													
Australia	[illegible]	[illegible]	-0.0004	095 - 104	1.4136	[illegible]	1.4108	-0.9	1.4134	-1.1	1.421	-0.8	88.8
Hong Kong	[illegible]	[illegible]	+0.0008	235 - 245	7.7245	[illegible]	7.7255	-0.2	7.728	-0.2	7.739	-0.2	-
[illegible]	(Rs)	31.3663	-0.0025	[illegible] - 700	31.3700	31.3625	31.4313	-2.5	31.5663	-2.6	-	-	-
Japan	(Y)	109.415	-1.005	380 - 450	110.070	109.100	109.35	0.7	109.14	1.0	107.575	1.6	140.4
Malaysia	(M$)	[illegible]	+0.0033	540 - 580	2.7615	[illegible]	[illegible]	2.8	2.7478	1.1	2.77	-0.5	-
New Zealand	(NZ$)	[illegible]	[illegible]	[illegible]	1.7612	[illegible]	[illegible]	-1.1	[illegible]	-1.4	[illegible]	-1.2	-
[illegible]	[illegible]	27.7000	-	000 - 000	27.9000	27.5000	-	-	-	-	-	-	-
Saudi Arabia	[illegible]	3.7500	+0.0002	498 - 502	3.7502	[illegible]	3.7524	-0.8	3.7566	-0.7	3.7756	-0.7	-
[illegible]	[illegible]	1.5985	-0.001	980 - 990	1.6005	[illegible]	1.5974	0.9	1.5962	0.8	1.6075	-0.6	-
S Africa (Com.)	(R)	3.4195	+0.0023	188 - 203	3.4298	3.4120	3.4386	-6.0	3.4656	-5.4	3.5731	-4.5	-
S Africa (Fin.)	(R)	4.3975	-0.01	925 - 025	4.4000	4.3950	4.4285	-8.5	4.4875	-8.2	-	-	-
South Korea	(Won)	808.150	-0.4	100 - 200	808.500	808.100	811.15	-4.5	814.65	-3.2	833.15	-3.1	-
Taiwan	[illegible]	[illegible]	-0.015	300 - 400	26.4700	26.4400	26.5375	-4.7	26.685	-3.6	-	-	-
Thailand	(Bt)	25.4700	-0.015	600 - 800	25.4800	25.4600	25.54	-3.3	25.68	-3.3	25.82	-1.4	-

†SDR rate for Jan 26. Bid/offer spreads in the Dollar [illegible] table show only the last three decimal places. Forward rates are not directly quoted to the market but are implied by current interest rates. UK, Ireland [illegible] are quoted in US currency. Morgan Guaranty Changes shown for Jan 26. Base average 1990=100

CROSS RATES AND DERIVATIVES

EXCHANGE CROSS RATES

Jan 27		BFr	DKr	FFr	DM	I£	L	Fl	NKr	Es	Pta	SKr	SFr	£	C$	$	Y	Ecu
Belgium	(BFr)	100	[illegible]	16.45	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	22.11	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Denmark	(DKr)	53.15	10	8.740	[illegible]	[illegible]	2511	[illegible]	[illegible]	[illegible]	[illegible]	11.75	2.171	0.989	[illegible]	1.477	161.5	[illegible]
France	(FFr)	[illegible]	11.44	[illegible]	[illegible]	1.176	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	2.484	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Germany	(DM)	[illegible]	[illegible]	[illegible]	1	0.399	[illegible]	[illegible]	[illegible]	100.4	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	0.574	[illegible]	[illegible]
Ireland	(I£)	51.71	9.731	8.504	[illegible]	1	[illegible]	[illegible]	[illegible]	251.5	[illegible]	11.43	[illegible]	[illegible]	[illegible]	[illegible]	157.2	[illegible]
Italy	(L)	[illegible]	[illegible]	0.348	[illegible]	0.041	[illegible]	0.115	[illegible]	10.29	[illegible]	[illegible]	0.088	[illegible]	0.077	[illegible]	[illegible]	[illegible]

Yen per 1,000; Danish Kroner, French Franc, Norwegian Kroner and Swedish Kronor per 10; Belgian Franc, Escudo, Lira and Peseta per 100.

EMS EUROPEAN CURRENCY UNIT RATES

Jan 27	Ecu cen. rates	Rate against Ecu	Change on day	% +/- from cen. rate	% spread v weakest	Div. ind.
[illegible]	[illegible]	0.775383	[illegible]	-4.11	6.45	28
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-
Germany	[illegible]	[illegible]	[illegible]	[illegible]	2.38	-
[illegible]	40.2123	[illegible]	-0.017	0.08	2.04	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	1.10	-6
[illegible]	[illegible]	[illegible]	+0.226	1.35	0.71	-9

WORLD INTEREST RATES

UK INTEREST RATES

BASE LENDING RATES

MONEY MARKET FUNDS

Money Market Trust Funds

Money Market Bank Accounts

WORLD STOCK MARKETS

EUROPE

AUSTRIA (Jan 27 / Sch)

BELGIUM/LUXEMBOURG (Jan 27 / Frs.)

DENMARK (Jan 27 / Kr)

FINLAND (Jan 27 / Mkk)

FRANCE (Jan 27 / Frs.)

GERMANY (Jan 27 / DM)

ITALY (Jan 27 / Lire)

NETHERLANDS (Jan 27 / Fls.)

NORWAY (Jan 27 / Kroner)

SPAIN (Jan 27 / Pts.)

SWEDEN (Jan 27 / Kronor)

SWITZERLAND (Jan 27 / Frs.)

PACIFIC

JAPAN (Jan 27 / Yen)

HONG KONG (Jan 27 / H.K.$)

MALAYSIA (Jan 27 / MYR)

SINGAPORE (Jan 27 / S$)

AUSTRALIA (Jan 27 / Aust.$)

NORTH AMERICA

CANADA

TORONTO (Jan 27 / Can.$)
4 pm close

AFRICA

SOUTH AFRICA (Jan 27 / Rand)

MONTREAL (Jan 27 / Can.$)
4 pm close

Prices supplied by Telekurs

NOTES - Prices on this page are as quoted on the individual exchanges and are mostly last traded prices. Highs/Lows are based on data from Jan 1 1993. x Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

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■ TOKYO - MOST ACTIVE STOCKS: Thursday, January 27, 1994

	Stocks Traded	Closing Prices	Change on day		Stocks Traded	Closing Prices	Change on day
Kawasaki Steel	13.8m	332	+5	NEC Corp	5.0m	983	+3
Nippon Steel	13.1m	323	+3	Sumitomo Elec	4.5m	1,430	
Fujitsu Ltd	10.6m	920		Mitsubishi Heavy	4.4m	670	-15
Sankyo Co Ltd	5.4m	2,520	+20	OKI Elec	4.4m	58600	-17
Daiwa Secs	5.3m	1,530	+40	Fujikura Ltd	4.2m	898	+6

INDICES

US INDICES

■ RATIOS

■ STANDARD AND POORS 500 INDEX FUTURES $500 times index

	Open	Latest	Change	High	Low	Est. vol.	Open int.
Mar	474.00	473.90	-	474.40	473.40	44,940	182,559
Jun	474.55	475.00	+0.10	475.15	474.55	235	5,008
Sep	-	476.20	-	476.10	476.10	40	880

Open [illegible] figures are for previous day

■ CAC-40 STOCK INDEX FUTURES (MATIF)

	Open	Sett Price	Change	High	Low	Est. vol.	Open int.
Jan	2292.0	2274.0	-11.0	2299.0	2272.0	35,416	24,537
Feb	2305.0	2286.5	-11.5	2311.0	2285.0	13,472	10,721
Mar	2316.5	2298.5	-11.0	2322.0	2298.5	2,032	40,581
Jun	2301.5	2294.0	-11.0	2302.5	2301.5	56	2,315

Open interest figures for previous day

■ NEW YORK ACTIVE STOCKS

Wednesday	Stocks traded	Close price	Change on day
Cooper	5,603,000	41½	-⅛
IBM	4,086,300	56⅞	-1⅛
Telefonos	3,342,900	69	+⅛
USA-US	3,320,100	[illegible]	-⅛
Philip Morris	3,253,000	59¼	+1⅛
Am Express	2,915,200	32¼	-⅛
Beth Steel	2,755,900	23¼	+1⅛
Merck	2,702,600	35¼	+½
Scott Paper	2,495,500	45½	+2⅛
Compaq	2,492,700	80⅞	-2¼

■ TRADING ACTIVITY

● Volume (millions)

	Jan 26	Jan 25	Jan 24
New York SE	304.647	326.089	298.901
Amex	17.541	17.864	15.224
NASDAQ	316.495	352.351	303.884
NYSE			
Issues Traded	2,740	2,738	2,747
Rises	1,185	866	906
Falls	877	1,213	1,201
Unchanged	678	659	640
New Highs	62	66	115
New Lows	29	57	35

†† Sat Jan 22: Taiwan Weighted Price 5970.03; Korea Comp Ex 877.75. Base values of all indices are 100 except Australia All Ordinary and Mining - 500; Austria Traded, BEL20, HEX Gen., MIB Gen., SBF250, CAC40, Euro Top-100, ISEQ Overall, Toronto Comp./Metals & Minerals and DAX - all 1,000; JSE Gold - 255.7; JSE 26 Industrials - 264.3; NYSE All Common - 50; Standard and Poor's - 10. §§ Montreal. ♦ Toronto. (c) Closed. (u) Unavailable. ‡ IBIS/DAX after-hours index: Jan 27 - 2123.31 -5.3.

† Correction. * Calculated at 15.00 GMT. ● Excluding bonds. ‡ Industrial, plus Utilities, Financial and Transportation. ♣ The DJ Indl. index theoretical day's highs and lows are the averages of the highest and lowest prices reached during the day by each stock; whereas the actual day's highs and lows (supplied by Telekurs) represent the highest and lowest values that the index has reached during the day. (The figures in brackets are previous day's). ♥ Subject to official recalculation.

4 pm close January 27

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

1993/94 High	Low	Stock	Div	Yld %	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
16	11½	AAR	0.48	3.0	33	351	16	15⅞	16	+⅛
29⅞	12¾	A L Labs A	0.16	1.2	34	342	15¼	14⅞	14⅞	-⅛
67¼	54⅝	AMP	1.60	2.6	22	1447	63¼	62¼	62⅝	-⅝
72¾	55½	AMR			34	2362	70½	68⅞	69⅞	+1⅛
4½	1⅜	ARX			17	288	4¼	4⅛	4½	+⅛
56⅛	29⅞	ASA	2.00	3.9	34	1191	53½	51⅛	51⅛	-2½
[illegible]	22⅝	AbbtL	0.68	2.3	17	10788	29⅝	28⅝	29	+½
13	8¼	[illegible] Pr	0.50	4.1	7	65	12¼	12⅛	12¼	+⅛
15⅝	8¼	Acptnogln			24	130	13½	13¼	13⅜	+⅛
36	25½	ACE Ltd	0.40	1.4	[illegible]	1379	28½	27⅞	28⅜	
12⅝	10¼	ACM Gvt In	1.06	8.5		756	12½	12¼	12½	
10⅛	9⅞	ACM GvOpp	0.80	8.0		124	10	9⅞	10	
10⅝	8⅞	ACM Gvt Sp	0.95	9.2		477	10⅜	10⅛	10⅜	+⅛
12¼	10½	ACM Gvt Se	1.04	8.8		181	11⅞	11¾	11¾	
12⅛	9⅝	ACM Man	1.08	9.4		289	11⅝	11½	11½	
9⅞	8⅝	ACM Managd	0.72	7.9		150	9⅛	9⅛	9⅛	
12⅞	7¾	AcmeClv	0.44	4.3	[illegible]	27	10¼	10⅛	10¼	
11⅞	6⅞	Acme Elect			[illegible]	62	8	[illegible]	7⅞	-⅛
27⅝	16⅞	Acordia	0.44	1.8	13	14	24½	24½	24½	+⅛
16	10⅞	Acuson			56	645	12⅝	12⅜	12⅜	-⅛
21¾	17⅝	Adams Expr	0.52	2.8	0	[illegible]	18¼	18⅛	18¼	+⅛
66¼	45½	Ad Micro	[illegible]	5.9		[illegible]	[illegible]	50	51	-⅛
32¾	16¾	AdvMic	[illegible]	[illegible]		[illegible]	20⅞	[illegible]	20¾	+⅛
6⅛	5½	Advest Grp	[illegible]	2.4	10	[illegible]	6⅝	6½	6⅝	-⅛
24¾	14¼	Advo Inc	0.08	0.4	121	22	18¼	18⅛	[illegible]	
58½	41⅞	Aegon ADR	1.23	2.3	11	[illegible]	54	53¼	[illegible]	-⅛
68¼	43⅞	Aetnal	2.76	4.7	25	1496	58⅞	57⅞	58⅛	+½
34	24¾	Aflac	0.40	1.5	[illegible]	3842	27½	26⅞	27⅛	+1⅛
[illegible]										

- A - (continued) [illegible]

- B - [illegible]

- C - [illegible]

- D - [illegible]

- E - [illegible]

- F - [illegible]

- G - [illegible]

- H - [illegible]

- I - [illegible]

- J - [illegible]

- K - [illegible]

- L - [illegible]

- M - [illegible]

- N - [illegible]

- O - [illegible]

- P - Q - [illegible]

- R - [illegible]

- S - [illegible]

Continued on next page

4 pm close January 27

NYSE COMPOSITE PRICES

1993/94 High	Low	Stock	Div	Yld. %	P/E	Sls 100s	High	Low	Close Quote	Chg Prev. Close
Continued from previous page										
51⅞	34	Salomn	0.64	1.3	11	6281	48⅜	47¼	48¼	+2¼
27¾	23	SnDgGE	1.48	6.2	12	591	24⅛	23¾	24	+⅛
6	3½	SantaFeEDu	0.40	8.2	48	10	4⅞	4⅞	4⅞	
11⅞	8⅝	SantaFeEPa	0.16	1.7	312	676	9⅞	9¼	9⅝	
40¾	35¾	SantaFePac	2.80	7.0	16	71	39⅞	39⅝	39¾	+½
26¾	12¾	SanFeP	0.10	0.4	13	4824	24¾	24⅛	24½	-¼
31⅛	21	SaraLee	0.64	2.7	16	26204	24⅛	23	23⅝	-1⅝
55¾	40⅛	Scana Corp	2.74	5.7	13	204	48½	47⅞	48⅜	+⅜
25¾	18¾	Scecrp	1.42	7.2	13	10569	19¾	19¼	19⅝	+⅜
38⅞	23⅞	ScheringP			30	107	37⅝	37⅛	37⅜	+⅛
71	51¾	SchrPl	1.80	2.8	15	3898	64½	63¼	64⅜	+⅞
69⅞	54⅝	Schlmb	1.20	2.1	22	5290	58⅝	57⅜	57¾	+½
30⅝	16½	Schwab(C)	0.28	1.0	13	1680	28¼	28⅝	28⅝	-⅛
7¾	5⅝	Schwitzer			105	11	7⅜	7⅛	7⅛	+⅛
36⅞	17¾	SciAtl	0.12	0.4	48	997	32	31⅞	31¾	-⅛
15	9⅛	Scotman	0.10	0.7	14	28	14⅝	14½	14½	-⅛
45¾	37	ScottP	0.80	1.8	20	12607	45½	44⅝	45½	
28⅝	14¼	ScuddrNAsF	0.27	1.1		128	25⅝	25⅛	25⅝	
11½	7½	ScuddrNEuF	0.16	1.4		1280	u11¾	11⅜	11½	+⅛
31½	16¾	SeaCnB	0.70	4.1	8	12	17⅛	17¼	17¼	
17	10	SeaC1.4625	1.46	9.2		7	16⅛	15⅞	15⅞	
30⅞	24½	Seagrm	0.56	1.9	38	5489	30	29¼	29¾	+⅜
32⅞	15	Seagull En			[illegible]	878	27¼	26	27	+1
32	21	Sealed Air			[illegible]	376	30¼	29⅞	30⅛	+⅜
60⅛	42⅝	SearsR	1.60	2.9	[illegible]	8273	54¾	53¾	54⅝	+⅞
13¾	12⅝	Seligm Sel	0.84	6.3		60	13⅜	[illegible]	13⅜	
35⅝	20	Sensormat	0.22	0.6	35	849	34	[illegible]	34	+⅝
35½	18	SequaA	0.60	1.7	7	21	u35¾	[illegible]	35⅝	+⅛
36⅜	17¾	SequaB	0.50	1.4	19	39	u35⅝	[illegible]	35⅝	+¼
[illegible]	17⅞	SersCp	0.42	1.6	21	1634	25⅞	[illegible]	25½	-⅛
31	17¾	SvMstr	0.92	3.5	14	336	27½	[illegible]	26⅝	-⅛
25½	14¼	Shaw Ind	0.18	0.9	25	3390	20⅞	20⅝	20¾	
26⅞	17⅞	[illegible]	0.80	3.4	21	2769	23⅜	23⅞	23¼	+⅛

1993/94 High	Low	Stock	Div	Yld. %	P/E	Sls 100s
16⅝	8½	Tandem			2	3733
[illegible]	24⅝	Tandy		1.3	218	6047
[illegible]	11⅛	Taurus Mun	[illegible]	6.3		66
[illegible]	19¾	Teco Energ	[illegible]	4.6	16	1243
27⅞	[illegible]	Tktrnx	[illegible]	2.2	15	835
5	1¼	Telecre			20	30
27	18½	Teldyn	0.80	3.1	18	861
[illegible]	[illegible]	TeleEspSA	1.62	3.9	6	[illegible]
70	[illegible]	Telmex	0.98	1.3	14	38823
54	[illegible]	Tmplnl	1.00	1.9	43	597
39½	14⅞	TempltEmMk	0.17	0.6		529
9⅛	7⅞	TempltGlob	0.60	7.4		289
9	7¾	TempltGlFd	0.60	7.6		709
[illegible]	39⅛	[illegible]	1.60	2.9	[illegible]	2850
[illegible]	21¾	[illegible] Pls	2.29	7.8	[illegible]	78
[illegible]	13	Teradyne			[illegible]	1086
[illegible]	6¼	Terex	0.06	0.6	1	451
8½	[illegible]	[illegible]	0.08	1.0	28	[illegible]
10½	3	Tesoro			2	2288
69½	57⅝	Texaco	3.20	4.8	14	2931
53⅞	50½	Texaco C	3.00	5.8		21
32⅝	21¼	Texas Ind	0.20	0.6	38	294
64¼	45⅞	TxInst	0.72	1.0	16	4022
21½	16¾	Texas Pac	0.40	1.9	26	6
49¾	38	TxUtil	3.08	7.8	19	10158
11⅛	9¾	Textl Fl	1.10	11.0		12
9	3¼	Texfi Inds	1.10	29.3	4	78
60	40⅞	Textrn	1.24	2.1	14	1325
4¾	3⅜	Thackeray			66	10
24¼	10⅝	Thai Cap	0.36	1.7		402
37¼	16⅛	Thai Fund	0.28	0.9		184
43¼	31[illegible]	ThermoElec	0.12	0.3	24	514
28	16⅛	Thiokol	0.68	2.5	8	323
72	57	ThBets	2.24	3.5	20	100
[illegible]	9⅛	Thomas Ind	0.40	2.8	35	109

- U -

- V -

- W -

- X - Y - Z -

Prices data supplied by Telekurs

AMEX COMPOSITE PRICES

4 pm close January 27

NASDAQ NATIONAL MARKET

4 pm close January 27

- B -

- C -

- D -

- E -

- F -

- G -

- H -

- I -

- J -

- K -

- L -

- M -

- N -

- O -

- P - Q -

- R -

- S -

- T -

- U -

- V -

- W -

- X - Y - Z -

AMERICA

Dow holds its ground ahead of growth data

Wall Street

US stocks posted [illegible] gains yesterday morning [illegible] directionless session ahead of today's initial estimate of fourth-quarter economic growth, [illegible] Frank McGurty in [illegible] York.

By 1 pm, [illegible] Dow Jones Industrial Average was 4.79 higher [illegible] 3,912.79, after briefly topping the record high close [illegible] 3,914.48 set [illegible] Friday. The more broadly based Standard & Poor's [illegible] better [illegible] 475.26. Secondary indices were mixed, with [illegible] American SE composite slipping 0.51 to 481.23, [illegible] Nasdaq composite adding [illegible] 791.78.

Volume [illegible] the [illegible] was heavy, with 195m shares [illegible] by 1 pm. Advancing issues led declines, 1,117 [illegible] 813.

[illegible] spite of [illegible] round [illegible] news [illegible] corporate earnings, stocks were in [illegible] holding pattern for much of [illegible] session, [illegible] activity [illegible] flavoured in anticipation of the release of [illegible] government's preliminary reading [illegible] growth in [illegible] final three months of [illegible].

Bond prices showed resilience in [illegible] face of unfavourable developments. Traders shrugged [illegible] 2.2 per cent gain *in December factory orders of* durable goods [illegible] being old news, [illegible] dismissed a big drop in unemployment benefit claims [illegible] a weather-related aberration. *As* [illegible] result, bonds meandered in [illegible] narrow range, [illegible] trend that was mirrored in the equity market.

However, corporate earnings [illegible] not entirely ignored. The Dow average [illegible] depressed largely because of disappointment [illegible] over *3M's performance* – the cyclical stock, a high-flier in recent weeks, was marked down $5⅝ [illegible] $105⅞ after posting [illegible] *earnings.*

Offsetting the effect of 3M's decline, Caterpillar climbed $1⅞ [illegible] $100⅞, while General *Motors* advanced $1⅛ at $59⅞.

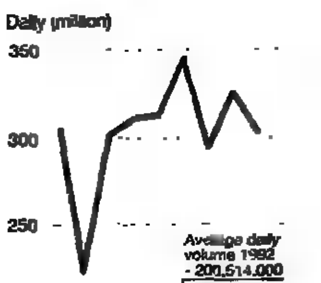
The other [illegible] makers were strong [illegible] well, with [illegible] Big Three reported [illegible] scheduling an 80 per cent increase in production [illegible] week [illegible] make up for recent weather-related shutdowns. Ford gained $1⅝ [illegible] $66¼ and Chrysler $1⅛ [illegible] $60⅞.

Near the top of the NYSE's most active list, Sara Lee slumped $1⅛ to $23⅛ after warning that its [illegible] income [illegible] the current quarter may [illegible] short of analysts' forecasts.

AT & T [illegible] in play after good news on its [illegible] growth and operating earnings in the final [illegible] period. The stock added [illegible] [illegible] $56⅞.

On the Nasdaq, [illegible] Communications slipped $⅛ to $27⅞ when its results proved [illegible] be in line with expecations.

NYSE volume



Canada

Toronto inched higher [illegible] midday as climbing airline, banking and pipeline issues were held back by weakness in golds. The [illegible] composite [illegible] rose 12.15 to 4,472.41 [illegible] 42.7m *shares valued at* C$449.1m.

The transportation group stayed in the lead after Air *Canada's surprising decision* [illegible] Wednesday [illegible] drop litigation aimed at scuttling PWA Corp's deal with AMR Corp. Air Canada [illegible] C$⅛ [illegible] C$6⅞ in [illegible] shares.

EUROPE

Milan leads move into record territory

Bourse performances were peppered with record highs yesterday, but downbeat views [illegible] German equities from four *London* [illegible] – James Capel, Kleinwort Benson, Morgan Stanley and (in reiteration) Goldman Sachs – brought a *sour* [illegible] *into the proceedings, writes Our Markets Staff.*

MILAN moved into record territory as a buying spree by foreign and domestic investors spurred turnover to an all-time high of L1,030bn. The Comit index [illegible] 5.63 [illegible].

While domestic investors [illegible] still sensitive [illegible] political developments [illegible] the run up to general elections on March 27, foreign buyers from Europe, Japan and the US were less inhibited.

Montedison [illegible] another L71 or 7 per cent to L1,099 and the huge volume of L166m shares reinforced speculation that someone [illegible] stake building. Ferruzzi added L41 [illegible] L1,781 in volume of 40.6m shares.

Hoare Govett [illegible] forecasting [illegible] 25 [illegible] cent rise in the BCI *index this year, after last* year's 39 per cent advance, given the market's very strong liquidity, the improving [illegible] *economic picture, the continuing privatisation process* and the expectation of corporate earnings recovery.

However, Merrill Lynch [illegible] that the turbulent trading of the last five months demonstrated how quickly confidence could [illegible] and go, adding [illegible] the market's price volatility should always be taken into account. The fact that Italy [illegible] likely [illegible] be exploited [illegible] lagging market in Europe [illegible] raised warning flags about whether its recovery would be sustainable.

ZURICH hit [illegible] record close for the third consecutive session, although late profit-taking brought prices back [illegible] their best levels. The [illegible] index added 3.9 to 3,095.2, *having peaked at 3,110.3.*

Holderbank [illegible] SFr37 [illegible] SFr977 after [illegible] recommendation from Credit Suisse. Oerlikon-Bührle put [illegible] *SFr9 or 6.4 per* cent to SFr150 after [illegible] broker recommended [illegible] switch into the *stock from Georg Fischer,* SFr10 lower at SFr1,180.

MADRID hit an early peak [illegible] current [illegible] political and corporate renewal, but after [illegible] intraday 353.37 the general index subsided [illegible] 348.62 – a mere [illegible] on [illegible] day, [illegible] still a closing high.

[illegible] financials [illegible] industrials [illegible] from a slightly weaker [illegible] market peaked again, the all-share [illegible] closing [illegible] higher [illegible] 673.76.

STOCKHOLM majored on [illegible] chips as the [illegible] general index rose 21.1 [illegible] new high of 1,560.2 [illegible] turnover of SKr2.7bn. [illegible] reversed its [illegible] Tuesday's downgrade by Goldman Sachs, and the B [illegible] put [illegible] SKr9 to SKr358, while Volvo B advanced SKr16 to [illegible] helped by buy [illegible].

[illegible] of its activity in second line [illegible] the [illegible] index still [illegible] a record high, climbing [illegible] to 1,514.60 [illegible] turnover [illegible].

FRANKFURT came off a day's [illegible] to close [illegible] the [illegible] only [illegible] higher [illegible] 2,125.14. Turnover [illegible] from DM9.1bn to DM9.5bn.

Capel's chief [illegible] Oliver [illegible] saw a stark contrast [illegible] Germany and other European prospects this year; Mr David Roche of Morgan Stanley dropped Germany from 9.2 per cent to 8.5 per cent of his global model portfolio; Kleinwort underweighted the market and Goldman Sachs said again that it continued to underweight German equities [illegible] global and European portfolios.

Daimler ended [illegible] higher at DM809 [illegible] higher Mercedes car sales forecasts for 1994. However, within the context of a change of stance to overweight on the European automotive sector, Mr Bob Barber of [illegible] Capel [illegible] mended a [illegible] – "based principally [illegible] rating".

PARIS dipped [illegible] close, disappointed that [illegible] Bank [illegible] had made [illegible] move on interest rates. The CAC-40 index, after [illegible], closed 1.40 lower at [illegible], pressured by a downtrend [illegible] futures.

LVMH improved [illegible] to FFr3,95[illegible] following an analysts meeting at which the group said that it expected to make a one-off gain of some [illegible] following the change in its cross-shareholdings with Guinness announced last week.

AMSTERDAM gained early ground before slipping back once more by the close, the AEX ending up 0.09 at [illegible] after a session high of [illegible].

There was considerable interest among stocks selected by a poll of analysts on Dutch television on Wednesday night: Philips, Akzo, Ahold, Bols Wessanen and Borsumij. Among these, Akzo slipped Fl 1.10 to Fl 209.70 after its shareholders approved plans for the merger with Nobel of Sweden.

ISTANBUL dropped another 7.6 per cent, the composite index's fall of 1,615.94 to 19,513.8 making a five day local currency loss of 23.6 per cent before Wednesday's near 12 per cent devaluation of the lira.

Written and edited by William Cochrane, John Pitt and Michael Morgan

FT-SE Actuaries Share Indices — THE EUROPEAN SERIES

Jan 27	Open	10.30	[illegible]	[illegible]	13.00	14.00	15.00	[illegible]
Hourly changes								
FT-SE Eurotrack 100	1500.59	1501.55	1501.21	1501.07	[illegible]	[illegible]	1497.37	1498.66
FT-SE Eurotrack [illegible]	1569.36	1570.45	1570.72	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

	Jan 26	Jan 25	Jan 24	Jan 21	Jan 20
FT-SE Eurotrack 100	1492.93	1485.10	1482.11	[illegible]	[illegible]
FT-SE Eurotrack 200	1562.49	1564.22	1558.02	1562.63	[illegible]

[illegible] 100 - 1502.23; 200 - 1571.48 Low/day: 100 - 1496.88 200 - [illegible]

Athens pauses after scaling new peaks

But opinion remains divided as to the market's next move, writes **Kerin Hope**

After two months of frenzied activity, triggered by the flotation of six leading Greek construction companies, investors on the Athens stock exchange [illegible] pausing for breath.

The Athens general index relinquished 0.4 per cent yesterday to close [illegible] 1,109, its fourth decline in five days.

The index peaked at 1,194 on January 18, its best level for more than two years, although still well short of the bourse's all-time high of 1,684 set in July 1990.

Brokers and market analysts attributed the fall to profit-taking by foreign investors, who drove the market up by some 20 per cent earlier this month, reflecting the current enthusiasm for emerging markets among US and international fund managers.

The brokers estimate that institutional investors abroad accounted for [illegible] least 50 per cent of daily turnover, which has averaged more than Dr15bn ($60m) since [illegible] of [illegible] year. The increased pace of trading is all the [illegible] remarkable given that average daily turnover in [illegible] amounted [illegible] just Dr2.5bn.

Yet opinions [illegible] divided about the market's next move. [illegible] the average p/e ratio [illegible] 20, *Greek equities now look* expensive, while overall economic prospects [illegible] gloomy.

Greece shows few signs of *emerging from recession,* with growth for [illegible] projected at only 1.2 per cent and the public [illegible] deficit likely to [illegible] from [illegible] year's [illegible] of [illegible] domestic product.

[illegible] Phaedon Tamvakakis, managing director [illegible] Hambros [illegible] *Growth Fund, said:* "It [illegible] really quite [illegible] to justify [illegible] continuing rise for the moment. The fundamentals [illegible] encouraging [illegible] Greek equities no longer seem cheap." However, Mr Yannis Tegopoulos, chief analyst at Midland Pantelakis Securities, sounded more sanguine. "The rise has been based on liquidity rather than p/e ratios so far, and there is still lots of money around to be allocated."

With more than 30 Greek companies in a lengthening queue for listings [illegible] the bourse, there will be plenty of shares available over the next few months. The success of the construction sector listings, all heavily subscribed, has brought new entrants flocking to the market.

The construction companies, all family-owned, were seeking funds to finance new equipment purchases and provide working capital as they prepare to bid for [illegible] than Dr6,900bn worth of infrastructure projects being [illegible] by [illegible] European Union.

Their example [illegible] being followed by other growth-oriented companies anxious [illegible] avoid high interest rates, still averaging above 20 per cent for working capital.

Ms [illegible] of BZW [illegible] "The market is now [illegible] to broaden [illegible]ably, [illegible] the arrival [illegible] from [illegible] that traditionally have [illegible] the [illegible] of raising [illegible] privately."

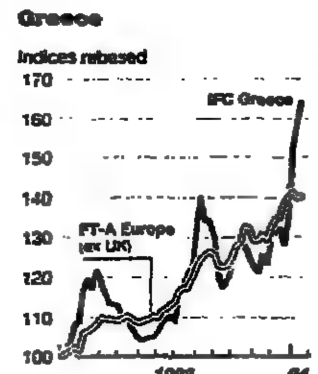
[illegible] such applicant is Teletypos, which controls Mega Channel, [illegible] most [illegible] private television station. Owned by [illegible] consortium of [illegible] newspaper [illegible], the company intends [illegible] an international tranche of [illegible].

Two passenger ferry [illegible] Strintzis [illegible] Dane, [illegible] start rennovating their [illegible] ahead of the EU's deregulation of coastal shipping at the end of the 1990s, will be the first shipping concerns to join the bourse. At the same time, a number of blue chip companies are planning rights issues.

Michaniki, until November the only big construction company on the bourse, has announced a Dr9.2bn rights issue. Credit Bank, the largest private bank, plans a capital increase of close to Dr30bn.

The flow of new issues is likely to continue for much of 1994. Although the socialist government which came to power last October has radically curtailed Greece's privatisation programme, it still plans to float 15 to 20 per cent of OTE, the state telecommunications company, on the bourse this year.

Greece



Source: Datastream

ASIA PACIFIC

Politics restrain Tokyo as region powers ahead

Tokyo

Equity prices dropped by 1.3 [illegible] cent as purchases by foreign investors [illegible] to [illegible] arbitrage unwinding [illegible] institutional profit-taking amid growing political uncertainty, *writes Wayne Lionel Aponte* [illegible] *Tokyo.*

The Nikkei 225 average [illegible] tled [illegible] lower at 18,891.79, after moving between 19,324.73 [illegible] 18,811.78. The Topix index of [illegible] first section issues shed 13.82 to 1,538.50 and, [illegible] London, [illegible] ISE/Nikkei 50 index dipped [illegible] 1,266.15.

Brokers [illegible] recent euphoria surrounding what [illegible] speculated as [illegible] inevi[illegible] of [illegible] political reform bills of Mr Morihiro Hosokawa, the prime minister, proved unable to sustain a Nik[illegible] rally for the third straight session.

[illegible] prime minister threat[illegible] yesterday [illegible] resign, after [illegible] meeting with [illegible] joint commit[illegible] both houses [illegible] parliament, if his political agenda was not passed by [illegible] lower house.

A general consensus [illegible] market participants [illegible] that investor sentiment [illegible] firm, and [illegible] any political headway will [illegible] major equity rally.

Without the political reform package, however, plans for the government's economic stimulus package, [illegible] for [illegible] deregulation of domestic finan[illegible] markets, will receive [illegible] attention, according [illegible] the government.

This will [illegible] blow [illegible] hopes for an end [illegible] a bear market, already in its fourth year, [illegible] will place [illegible] pressure [illegible] the [illegible] of Japan [illegible] reduce the official discount rate, which is already at a record low.

Volume was estimated [illegible] shares, compared [illegible] Wednesday's 398m.

Profit-taking pushed banking shares lower. Industrial Bank of Japan retreated Y120 [illegible] Y3,130, Fuji Bank dropped Y60 [illegible] Y2,050 [illegible] Sakura [illegible] lost Y40 at Y1,470.

The [illegible] electronic [illegible]tor weakened [illegible] the yen appreciated against the dollar. Pio[illegible] Electronic slipped Y110 to Y2,810, Sony Y20 to Y5,850 and TDK [illegible] to Y3,950.

In spite of [illegible] day's losses, Nippon Telegraph and Telephone advanced Y19,000 [illegible] Y874,000 [illegible] the strength of reports [illegible] might enter [illegible] multimedia [illegible] by acquiring [illegible] stake in [illegible] US-based software development house.

In Osaka, [illegible] OSE average [illegible] down [illegible] 20,754.64 in volume of 106m shares.

Roundup

Pacific Rim markets produced a strong performance, with advances in many [illegible] attributed [illegible] series of domestic [illegible] and developments.

TAIWAN [illegible] *strong* rebound in [illegible] financial sector, while investors [illegible] generally encouraged by *suggestions that the Securities and* Exchange Commission might raise [illegible] ceiling for foreign investment [illegible] $20bn from $5bn.

The index [illegible] 176.89, or [illegible] cent, to [illegible] turnover swelled to T$88.2bn from T$53.9bn. [illegible] financial sector improved by 6 [illegible] cent.

Textiles, which have been active [illegible] week on expectations [illegible] a recovery in the industry, [illegible] heavy profit-taking, with Shinkong Synthetic [illegible] and Ruentex both down 70 [illegible] T$26.40 and [illegible] respectively.

[illegible] LUMPUR extended [illegible] strong rebound [illegible] back [illegible] retail and institutional buying, with the composite index finishing 44.93, [illegible] 4.4 per cent, [illegible] at 1,074.24.

Brokers said a large local institution [illegible] seen [illegible] lating shares, while easing of trading restrictions by stock-broking firms [illegible] a return of retail investors.

HONG KONG put in a powerful early advance and then maintained the higher levels for the rest of the day.

The Hang Seng index [illegible] 230.85, [illegible] 2.1 [illegible] cent, to 11,470.42, regaining almost [illegible] Wednesday's [illegible] fears dissipated over the future of Sino-British relations.

Turnover [illegible] provisional HK$7.36bn from Wednesday's HK$8.45bn.

SEOUL finished at a four-[illegible] high as investors concentrated on buying blue chip stocks. The composite index added 13.10 [illegible] 907.44.

Sentiment [illegible] helped by reports [illegible] Stock Market Stabilisation Fund would [illegible] longer liquidate its holdings.

[illegible] regained [illegible] lost ground, closing 1.4 per cent firmer in [illegible] technical rebound [illegible] by a strong recov*ery in the Malaysian stock* market. The Straits Times Industrial index ended 30.81 ahead [illegible] 2,286.28.

MANILA edged forward [illegible] moderate buying that [illegible] composite [illegible] 17.24 higher [illegible] 3,002.85.

AUSTRALIA was lifted by strong overseas buying and firmer gold prices.

The All Ordinaries index closed [illegible] 1.3 per cent, [illegible] at 2,250.7 [illegible] gold [illegible] index 68.9, [illegible] 2.7 per cent, stronger [illegible] 2,625.1. Turnover [illegible] A$676.2m.

NEW ZEALAND finished at [illegible] highest point since Septem[illegible] but [illegible] comparatively low volume. The NZSE-40 capital index gained 24.31, [illegible] 1 [illegible] cent, at 2,308.42.

BANGKOK added 2.7 per cent following [illegible] than expected results from Thai [illegible] Bank, [illegible] or [illegible] cent, at [illegible]. The SET index advanced [illegible] 1,498.09.

SOUTH AFRICA

[illegible] held [illegible] earlier highs [illegible] the close with [illegible] market buoyed by strength in bullion. The golds index added 72 [illegible] 2,024, the industrial index [illegible] at 5,495 [illegible] all index 36 [illegible] 4,792. Anglos [illegible] R2 [illegible] R197.

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Ltd., Goldman, Sachs & Co. and NatWest Securities Ltd. in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS — Figures in parentheses show number of lines of stock	WEDNESDAY JANUARY 26 [illegible] — US [illegible] Index	Day's Change %	Pound Sterling [illegible]	Yen [illegible]	DM Index	[illegible] Currency Index	[illegible] % chg on [illegible]	[illegible] Div.	TUESDAY JANUARY 25 1994 — US Dollar [illegible]	Pound Sterling [illegible]	[illegible]	[illegible]	Local Currency [illegible]	DOLLAR INDEX — [illegible] High	[illegible] Low	Year ago (approx)
Australia (69)	177.29	0.1	176.11	[illegible]	161.11	[illegible]	0.0	3.09	177.04	175.69	[illegible]	161.33	[illegible]	179.90	[illegible]	120.78
Austria (17)	189.39	0.8	[illegible]	132.19	172.10	171.78	0.4	[illegible]	[illegible]	[illegible]	[illegible]	171.29	171.11	191.92	[illegible]	[illegible]
Belgium (42)	164.43	0.5	163.33	114.77	[illegible]	[illegible]	0.4	3.92	163.63	[illegible]	114.97	149.11	[illegible]	[illegible]	[illegible]	142.53
Canada (107)	141.01	0.1	140.07	[illegible]	[illegible]	134.15	[illegible]	2.50	[illegible]	[illegible]	86.97	[illegible]	[illegible]	145.31	[illegible]	114.32
Denmark (32)	266.82	0.9	265.03	[illegible]	[illegible]	[illegible]	0.8	0.92	264.43	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	210.03
Finland (22)	147.48	−0.1	146.49	102.94	134.02	173.67	−0.5	[illegible]	147.63	[illegible]	[illegible]	134.53	[illegible]	147.63	[illegible]	71.07
France (99)	178.38	0.4	177.19	[illegible]	[illegible]	165.97	[illegible]	2.80	177.71	[illegible]	124.86	161.93	[illegible]	[illegible]	[illegible]	[illegible]
Germany (59)	131.28	−0.1	130.39	[illegible]	119.28	119.28	−0.4	1.76	131.40	130.40	92.33	119.74	119.74	[illegible]	[illegible]	[illegible]
Hong Kong (56)	461.24	−2.1	458.17	321.94	419.18	457.35	−2.1	2.38	471.18	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	225.77	[illegible]
Ireland (14)	202.65	−0.5	201.30	141.45	[illegible]	199.07	−0.7	2.80	[illegible]	202.14	[illegible]	[illegible]	200.44	[illegible]	[illegible]	141.09
Italy (89)	70.52	1.3	70.05	[illegible]	[illegible]	93.56	1.2	[illegible]	69.60	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	55.21	[illegible]
Japan (469)	141.05	2.7	140.11	[illegible]	[illegible]	98.45	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	125.15	96.60	[illegible]	101.84	[illegible]
Malaysia (69)	463.97	2.5	460.87	[illegible]	421.63	491.70	2.1	[illegible]	[illegible]	[illegible]	[illegible]	412.48	[illegible]	[illegible]	[illegible]	[illegible]
Mexico (18)	2458.65	−1.0	2440.24	1714.69	[illegible]	[illegible]	−1.0	[illegible]	2481.52	2462.55	1743.57	[illegible]	[illegible]	2481.52	[illegible]	[illegible]
Netherland (26)	202.13	0.1	200.78	141.08	183.69	[illegible]	−0.2	2.94	[illegible]	[illegible]	[illegible]	184.03	[illegible]	[illegible]	153.15	[illegible]
New Zealand (14)	71.44	0.7	70.96	49.88	64.92	[illegible]	0.5	3.61	[illegible]	[illegible]	[illegible]	[illegible]	66.34	71.75	41.66	41.71
Norway (23)	196.52	0.9	195.21	137.17	178.69	200.34	0.8	1.27	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	196.52	138.48	[illegible]
Singapore (45)	333.62	0.3	331.40	232.87	303.18	245.91	0.1	1.68	[illegible]	[illegible]	[illegible]	303.05	[illegible]	[illegible]	213.57	214.70
South Africa (60)	251.71	−0.2	250.03	175.69	228.74	[illegible]	−0.1	[illegible]	252.34	250.41	[illegible]	[illegible]	[illegible]	[illegible]	198.20	[illegible]
Spain (42)	149.87	1.8	148.87	104.61	136.20	[illegible]	1.6	3.73	147.24	146.11	[illegible]	134.17	[illegible]	[illegible]	[illegible]	[illegible]
Sweden (36)	218.08	0.9	216.63	152.22	198.18	[illegible]	0.2	1.36	[illegible]	[illegible]	151.90	[illegible]	256.80	[illegible]	[illegible]	157.95
Switzerland (49)	169.32	0.6	168.19	118.18	153.87	154.56	0.6	1.41	[illegible]	167.09	[illegible]	153.43	[illegible]	[illegible]	109.14	114.27
United Kingdom (215)	210.03	−0.3	208.69	146.64	190.92	208.69	−0.2	3.45	[illegible]	[illegible]	148.14	192.12	209.22	[illegible]	[illegible]	175.44
USA (518)	192.35	0.5	191.07	134.26	174.60	192.35	[illegible]	2.72	[illegible]	[illegible]	[illegible]	174.40	191.39	[illegible]	[illegible]	[illegible]
EUROPE (744)	172.96	0.1	171.80	120.72	157.17	[illegible]	0.1	2.71	172.72	171.40	121.36	[illegible]	[illegible]	173.63	134.16	140.11
Nordic (113)	210.94	0.8	209.53	147.28	191.69	218.22	0.3	1.14	209.37	207.77	147.11	190.79	217.81	212.08	142.13	149.13
Pacific Basin (722)	153.34	2.1	152.32	107.03	139.35	110.61	1.6	1.11	150.16	[illegible]	105.60	[illegible]	108.93	[illegible]	107.01	[illegible]
Euro-Pacific (1466)	161.35	1.2	160.27	112.62	146.63	[illegible]	[illegible]	1.82	[illegible]	[illegible]	111.99	145.24	131.37	[illegible]	[illegible]	[illegible]
North America (625)	189.16	0.5	187.89	132.03	171.89	[illegible]	0.5	2.71	[illegible]	[illegible]	[illegible]	171.53	187.42	190.01	172.67	[illegible]
Europe Ex. UK (529)	149.94	0.5	148.94	104.66	136.26	[illegible]	0.3	2.23	[illegible]	148.11	104.87	[illegible]	143.17	150.17	115.10	118.86
Pacific Ex. Japan (253)	271.11	−0.5	269.30	189.23	246.37	249.90	−0.7	[illegible]	[illegible]	270.43	191.47	[illegible]	251.53	[illegible]	155.37	[illegible]
World Ex. US (1651)	163.35	1.1	162.26	114.01	148.44	[illegible]	[illegible]	[illegible]	161.51	160.27	113.48	147.17	134.68	[illegible]	120.63	121.60
World Ex. UK (1954)	168.37	1.1	167.25	117.52	153.00	148.21	0.6	2.01	[illegible]	165.35	117.07	151.63	147.02	166.69	136.48	136.96
World Ex. So. Af. (2109)	171.54	0.9	170.39	119.73	155.85	[illegible]	0.7	2.16	[illegible]	[illegible]	119.43	[illegible]	151.61	172.10	[illegible]	140.29
World Ex. Japan (1700)	189.98	0.2	188.71	132.60	172.64	[illegible]	0.2	2.65	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	181.86
[illegible]	172.00	0.9	170.86	120.06	[illegible]	[illegible]	0.7	[illegible]	170.46	[illegible]	119.77	[illegible]	[illegible]	172.67	[illegible]	[illegible]

Australian [illegible] closed January 26. Latest prices where unavailable for this edition.

JOBS: Upheavals in the working world put premium value on learning to be motivationally versatile

The benefits of a switchable personality

Why [illegible] being promoted? If that question strikes [illegible] having an antique air, you're right. The nine [illegible] in it [illegible] the first [illegible] column's retiring writer ever penned [illegible] the subject of management, in October [illegible].

[illegible] me to exhume those words [illegible] much nostalgia [illegible] my surprise, on coming [illegible] them in [illegible] cuttings, [illegible] I had [illegible] an article with such a question. [illegible] I first [illegible] it, [illegible] high [illegible] of failure [illegible] newly promoted [illegible] consti[illegible] a serious [illegible] ambitious people [illegible] who read this column. But [illegible] work has undergone such upheavals that, for those of you with careers still stretching ahead, the important issues have changed radically.

The difference is not that [illegible] have ceased falling [illegible] receiving [illegible] leg up. They [illegible] so. [illegible] has [illegible] change [illegible] employers [illegible] cut whole layers of management out of their hierarchies. As [illegible] result, where future [illegible] prospects [illegible] concerned, the risk of failing [illegible] promotion is now far less of [illegible] problem [illegible] getting promoted in [illegible] place.

How severely [illegible] hatchet men have reduced the chances [illegible] recently by IBM UK's chairman [illegible] Anthony Cleaver. He said [illegible] cutting back [illegible] only four managerial tiers, which "means [illegible] maximum of one promotion every 10 years, and even this [illegible] for the [illegible] who makes it to [illegible] top."

Although [illegible] one man – or woman – will no doubt often be an FT reader, the speed of advance [illegible] unlikely [illegible] appeal [illegible] thrusting ambitions. [illegible] who [illegible] impatient [illegible] make your mark will need [illegible] other [illegible] for your abilities. How, alas, [illegible] another matter.

[illegible] advantage today [illegible] better sources [illegible] available. The handiest I know of is the computerised guide, [illegible] Design*, which for [illegible] investing the [illegible] hours [illegible] go through it properly, prompts a searching self-analysis. Nevertheless I doubt that such [illegible] personally sensitive enough [illegible] to [illegible] heart [illegible] affair, which [illegible] mind [illegible] in individual motivation.

True, the particular [illegible] in which people are [illegible] important [illegible] careers even before the wholesale removal of steps from promotion ladders. [illegible] days, it was enough [illegible] jobs [illegible] to your characteristic motivational pattern. If you [illegible] promoted [illegible] one that didn't match, you still [illegible] a fair chance [illegible] finding another [illegible] did.

Today, however, [illegible] far less chance of finding jobs that [illegible] your particular pattern. So [illegible] only way [illegible] may [illegible] change your motivation [illegible] suit such opportunities as are available. The bad news is that [illegible] lot of psychologists think motivation [illegible] such a [illegible] part of the human personality [illegible] making such [illegible] change [illegible] well nigh impossible.

The good [illegible] that [illegible] them [illegible] think differently. They [illegible] the small but seemingly growing number of shrinks [illegible] a newish development in psychology called Reversal Theory. They believe they have cogent evidence that most people [illegible] only can, but frequently do, change (or "reverse") their standard motivational pattern.

One [illegible] we [illegible] – [illegible] I have mentioned in previous columns – is between contrasting fundamental approaches [illegible] things [illegible] are doing.

Sometimes we will [illegible] doing them solely as [illegible] means to some different end. [illegible] example is if we [illegible] reading [illegible] textbook because we [illegible] examination, which, in turn, will improve [illegible] job prospects – the theory's term for [illegible] particular [illegible] is [illegible]. [illegible] will [illegible] other occasions when we [illegible] doing something just for the [illegible] doing it, such [illegible] when we immerse ourselves [illegible] a novel simply [illegible] we [illegible] reading. [illegible] jargon for [illegible] is *paratelic*.

[illegible] by reversal theorists suggest that the differences between the [illegible] approaches [illegible] far-reaching. For instance, people operating in a paratelic way [illegible] *innovative*. [illegible] *may* [illegible] that, in [illegible] mode, they [illegible] concentrating [illegible] hard [illegible] the specific, [illegible] goals they have in mind [illegible] discover much [illegible] they don't know already. But as there [illegible] when focused effort [illegible] more important than creativity, and vice versa, [illegible] horizons would be broadened by [illegible] ability [illegible] *switch* at will [illegible] one mode [illegible] other.

Moreover, [illegible] researchers [illegible] the same applies [illegible] another pair of fundamentally different approaches [illegible] doing things. In [illegible] *conforming* mode, [illegible] urge [illegible] join [illegible] with [illegible] crowd, which is [illegible] often than not conducive [illegible] teamwork. But [illegible] other *negatavistic* mode [illegible] more valuable, not least in resisting "groupthink" and the gadarene rush [illegible] destruction that [illegible] with it.

The theory [illegible] further pairs of approaches which condition [illegible] dealings with [illegible] people. [illegible] end [illegible] the [illegible] pair is the self-serving *autocentric* mode, the opposite being the [illegible] *put someone else first*, which [illegible] termed *allocentric*. [illegible] matter [illegible] any time, we can [illegible] seeking either *mastery* [illegible] the others [illegible] *sympathy* [illegible] them.

Once again – as will surely be obvious [illegible] anybody who [illegible] to [illegible] people who cannot [illegible] simply commanded – the ability [illegible] *switch voluntarily* between [illegible] opposites would expand [illegible] horizons. Unfortunately, [illegible] ways [illegible] which [illegible] pairs interact [illegible] complex, [illegible] there is no longer [illegible] to explain them [illegible] my next-to-last column. But the details can be found in *Reversal Theory – Motivation,* [illegible] *Personality*, published by Routledge at [illegible] author [illegible] of [illegible] theory's originators, Michael Apter, who [illegible] University.

[illegible] being supported by research [illegible] various countries, his brainchild [illegible] more light [illegible] my own motivation than any other theory I've heard of. [illegible] went to [illegible] him while [illegible] visiting his native Britain [illegible] Christmas holiday.

He [illegible] *concerned about* [illegible] of upheavals [illegible] world [illegible] work, not only on individuals but [illegible] companies. For instance, [illegible] that no organisation can thrive without the wholehearted [illegible] of employees whose usual approach [illegible] doing things [illegible] telic [illegible] conforming. [illegible] essential part of such people's motivation is having clear and realisable goals, one [illegible] which [illegible] promotional [illegible].

Moreover [illegible] company with [illegible] keen eye for psychological *developments*, but which he won't name, [illegible] spotted such dangers. It has commissioned him – together with [illegible] McMillan Partnership consultancy based in Beech Hill, Berkshire – [illegible] up workshops [illegible] helping company staff to become more motivationally versatile.

"The plan [illegible] to tutor them in ways [illegible] reversing modes," Dr Apter said. "The most simple example is that, if you [illegible] in the paratelic frame and faced with something you [illegible] doing, you can usually switch [illegible] the telic mode by keeping your mind on the [illegible] things likely [illegible] happen if you neglect the chore any longer. And [illegible] you think that's [illegible] a typical paratelic [illegible] do, believe you me [illegible] it isn't."

Michael Dixon

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Interested applicants please send a full CV [illegible] Tim Musgrave, Ref: 22/1632 [illegible] Morgan & Banks Plc, Brettenham House, Lancaster Place, London [illegible] you prefer, [illegible] 071-240 1040.

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[illegible] detailed job specification is available [illegible] The Master, Christ's College, Cambridge, CB2 3BU, to whom applications should be sent, to be received by Tuesday, 1 [illegible] 1994.

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The London-based Corporate Finance Department is recruiting Associates [illegible] work closely with senior professionals. The successful candidates will be actively involved in initiating and following through on cross-border business opportunities and will also work closely with New York-based industry and product groups.

The successful candidates are likely [illegible] have had meaningful experience in the corporate finance department of [illegible] major investment bank. They will be familiar with some combination of U.S. SEC regulations, ADR issues and equity-related securities, M&A procedures both in the U.S. and in selected European countries, as well [illegible] a wide variety of traditional corporate finance analytical techniques.

Excellent computer modelling skills (Lotus 4.01, Freelance) and [illegible] clear ability to communicate effectively, both verbally and in writing, are prerequisites. Fluency in Continental European languages is [illegible] distinct advantage.

Additionally, you [illegible] a team player who is looking for [illegible] challenging, dynamic environment where initiative and self-motivation are highly rewarded both financially and in terms of career progression.

Interested candidates should forward a detailed CV, which will be kept in strict confidence, [illegible]
Anita Mather, Smith Barney Shearson Europe, Ltd., 10 Piccadilly, London, W1V 9LA.

Strictly no agencies

c. £60,000 + bonus + benefits | *Major International* [illegible] | City

Structured Finance - Vice President

New senior appointment for experienced structured finance specialist to develop, execute and market tax-effective products, exploiting potential regulatory arbitrages across Europe for this profitable, highly-rated institution. This small, established team has developed an excellent reputation and has taken advantage of [illegible] bank's strong corporate client franchise and well-developed financial engineering capability. This is a rare opportunity to join a fast expanding business with a strong track record.

THE ROLE

- [illegible] in a team [illegible] structured finance specialists, assisting in a focused business concentrating on core clients in the [illegible] on the Continent. Report to Head of Structured Finance.
- Develop 'off-the-shelf' [illegible] individually tailored [illegible] using financial engineering techniques and present [illegible] to senior client management.
- Act as a product specialist handling [illegible] aspects of transaction management and [illegible] diligence [illegible] mandates [illegible] ensuring smooth delivery [illegible] pricing and structuring of new proposals.

THE QUALIFICATIONS

- High calibre graduate, likely with an ACA [illegible] European equivalent qualification. Minimum of two years' experience in structured finance, financial engineering or in the tax team of a corporate. Languages [illegible] an advantage.
- Sound analytical and [illegible] management skills with proven experience of [illegible] environments and financial systems in one [illegible] more continental European jurisdictions.
- [illegible] and presence to engender credibility [illegible] senior management, internally and with clients. Creative, collegiate and determined to succeed.

Leeds 0532 [illegible]
London 071 493 1238
Manchester 061 499 1700

Selector Europe
Spencer Stuart

Please reply with full details to: Selector Europe, Ref. F70690141, 16 Connaught Place, London W2 2ED

GE Industrial and Power Systems

International Sales Financing

Package to Attract the Best | London

GE Power Systems is the world's largest supplier of power generation equipment. It is building a team of the finest export, project and asset finance talent, based in London, to develop innovative, deal winning packages for the [illegible] of its equipment in Europe, the Middle East, Africa, Central Asia, India and Russia/CIS.

THE COMPANY

- One of the world's largest industrial and financial groups. Turnover more than $62 bn. AAA rated.
- World leader in turbines and power generation equipment and projects.

THE [illegible]

- Develop centre of excellence in financing sales in Europe, Africa and the Middle East, Central Asia, India and Russia/CIS.
- *Optimise use of short and medium term trade* finance, officially supported export credits and supranational agency funding.
- Innovate through [illegible] of tax structured, B.O.T. and *counter trade techniques.*

QUALIFICATIONS

- Proven mastery of export financing techniques, preferably from a top class international bank.
- High intellect, ideally MBA or professional qualification, with powerful analytical and presentation skills.
- Drive and tenacity to close deals, and [illegible] for rapid progress in a company renowned for its effective management development.

Please send full cv, [illegible] salary. Ref N0332
NBS, 54 Jermyn Street, London SW1Y 6LX

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MANAGEMENT CONSULTANCY

A.T. Kearney [illegible] a large, long established and rapidly growing management consultancy. We operate globally and support large multinational clients in strategy and managing change.

We require an experienced Associate for our General Practice [illegible] advise on strategy and change management. A first-class honours degree, an MBA, and fluency in English, Hebrew and Arabic [illegible] required [illegible] the position involves working with European multinationals and a major involvement in current initiatives to rebuild [illegible] presence in the Middle East. International consulting experience of a minimum of 5 years in Europe, the Middle [illegible] and South East Asia in either manufacturing, telecommunication, retailing or financial services are prerequisites for this position.

We offer exciting work, travel and appropriate fringe benefits. The basic salary will be £40,000. In return, we expect considerable personal commitment.

If you [illegible] suitably qualified, please write, enclosing your curriculum vitae, [illegible] Amanda Instone, A.T. Kearney Limited, Stockley House, 130 Wilton Road, London SW1V 1LQ.

ATKEARNEY

Merchant Banking Group

Sales to Europe

Asset Management Products | Late 20's/Early 30's

Our Client [illegible] *part of* [illegible] *owned* [illegible] Banking Group. It [illegible] unique reputation and credibility in [illegible]

It wishes to find a Sales Executive to help the development of the Asset *Management business* [illegible] *Spain, Italy and Germany. Reporting to the Sales* Director, this person will market retail type products to and through banks, insurance companies and other intermediaries acting for both high net worth individuals and institutions.

The Bank has considerable connections throughout the area and seeks a person who combines salesmanship with panache and creativity and an affinity [illegible] product and business development.

The person appointed could come [illegible] the [illegible] *Industry* [illegible] *from* [illegible] *wider* Financial background. Alternatively he/she could have a recent MBA qualification combined with an earlier involvement in Finance. He/she should possess an exceptional degree [illegible] and be prepared [illegible] travel [illegible] A good knowledge of Spanish and/or Italian would be an advantage.

Career prospects within the Group are considerable and an initial salary of at least £40,000 plus normal banking benefits and [illegible] bonus would be paid. This could be more for an experienced person.

Please contact the Company's Advisor in this matter. *Colin Barry, Managing Partner, Overton Shirley & Barry,* Prince Rupert House, 64 Queen Street, London EC4R 1AD. Tel: 071-248 0355. [illegible] 1102.

OVERTON SHIRLEY & BARRY

SECTION HEAD - COLLATERAL MANAGEMENT

TO £40,000 PLUS BONUS

The [illegible] is [illegible] Investment Banking [illegible] Securities Trading Group and one of the leading players in [illegible] Global Financial markets. They [illegible] recognised as market leaders in a number of product [illegible] and enjoy a reputation for innovation and progression [illegible] by a long term commitment [illegible] market. [illegible] commitment is emphasised by their continual search for excellence and drive to constantly improve the level of client service in an ever more complex [illegible] high volume business environment.

Reporting to [illegible] Head of Cash and Collateral Management, you will be a key member of the [illegible] operational management team and [illegible] responsibility for funding and securities management supporting the Stock Lending [illegible] Prime Brokerage [illegible] You [illegible] work closely [illegible] the traders in order to [illegible] the [illegible] form of collateral [illegible] receive from [illegible] pay to clients, [illegible] *a view to minimising* [illegible] *exposure* [illegible] *enhancing the profitability of* [illegible] *Equity financing unit. The role will also* involve managing the cash [illegible] and having a [illegible] liaison with other Operational divisions.

[illegible] aged 25-35, preferably degree level educated [illegible] least [illegible] five years' experience of collateral [illegible] securities [illegible] This [illegible] ideally have [illegible] gained in an International [illegible] trading environment and they [illegible] need to [illegible] knowledge of managing securities movements and client requirements. Strong communication skills, together with an energetic, [illegible] and proactive approach, will [illegible] essential to meet [illegible] continuing challenge this role will present.

For further information, please telephone or write in strictest confidence to Giles Simons.

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TRAINEE TRADER [illegible] MERCHANT BANK

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A challenging [illegible] dynamic industry.
Call [illegible]
[illegible] MCGILL ASSOCIATES
071 [illegible]

INTERNATIONAL SEARCH AND SELECTION

Senior Statistician

[illegible] United Nations Development Programme publishes annually the Human Development Report. The Report analyzes [illegible] contemporary [illegible] and presents a [illegible] International policy perspective [illegible] promote people-centered development. A key component of [illegible] Report is [illegible] presentation of the [illegible] up-to-date indicators of [illegible] ment for 160 countries. Each year, the Report also carries forward the debate on the Human Development [illegible] which captures economic and [illegible] development attained by countries in terms of the living conditions and capabilities of their people. The Human Development Report, [illegible] changing [illegible] year, has had a [illegible] impact in [illegible] past two years [illegible] thinking [illegible] action of policy makers, development professionals, the academic community [illegible] the public at large.

[illegible] responsibilities of [illegible] Statistician will [illegible]

- Developing innovative [illegible] corresponding [illegible] major themes of the Human Development [illegible]
- Updating [illegible] revising [illegible] Human Development Indicator Tables [illegible] an annual basis;
- Coordinating data [illegible] and analysis with responsible [illegible] organizations;
- Advising and [illegible] UNDP staff [illegible] matters;
- Preparing [illegible] papers, briefing notes and presentation materials;
- Assisting in identifying innovative [illegible] for improving the availability and use [illegible] development indicators [illegible] country level.

Correspondence is [illegible] February [illegible] with [illegible] interested individuals with at [illegible] 15 years experience in international [illegible] and [illegible] to: UNDP, Staffing, Division of [illegible] Room #DC1-1826, [illegible] UN [illegible] New York, NY 10017, [illegible] Reference: [illegible] (VA 2123/94). [illegible] encouraged [illegible] apply. Acknowledgment will only [illegible] applicants who [illegible] specific requirements [illegible] position.

undp
UNITED [illegible] DEVELOPMENT [illegible]

COMPLIANCE

The Union Bank of Switzerland group [illegible] seeking to fill a vacancy in its Compliance Department in London.

Reporting directly [illegible] the Group Compliance Officer, the successful applicant would have prime responsibility for certain key product [illegible] Duties would include advising on regulations and compliance issues, making recommendations [illegible] compliance policy and procedures, developing and supervising [illegible] monitoring programme of the business activities, acting as the principal contact point [illegible] client documentation and training staff.

Candidates should ideally be professionally qualified and/or have three years experience in the financial services sector, preferably in [illegible] compliance role. However, the right personality is all important and the successful candidate must have an ability [illegible] deal with people [illegible] all levels, have energy and enthusiasm and enjoy working [illegible] part of a [illegible]

Salary and benefits will be commensurate with experience. Interested applicants should write enclosing [illegible] CV to:

Shirley Pani
Personnel Officer
UBS Limited
100 Liverpool Street
London EC2M 2RH

Union Bank of Switzerland

TRADE FINANCE

A major European commercial bank is seeking to recruit [illegible] Trade Finance Executive to assist in the creation and development [illegible] a trade finance unit to be established in its London Office.

The successful candidate will have 5 years' [illegible] experience in all aspects of trade finance and detailed knowledge of the forfait market with *operational and management* experience, so as to make an effective contribution to the establishment of the unit and thereafter to the development of these lines of business.

Although based in London, the position will [illegible] with head office and the rest of the bank's extensive network of branches and representative offices overseas and will involve [illegible] Knowledge of European languages, particularly Spanish, would be a distinct advantage.

Salary, including banking benefits, will be negotiable.

Please reply in strictest confidence to:

Box B1978, Financial Times, One Southwark Bridge, London SE1 9HL.

LOGITECH

The Senseware Company

LOGITECH is a rapidly expanding group of companies of worldwide reputation with Headquarters in Switzerland, the United States, Taiwan and Ireland. It is specialized in the production and distribution of technologically advanced computer-related input and imaging devices such as mice, trackballs, hand-held scanners and digital cameras, as well as sound boards, integrated audio devices and joysticks.

We are seeking to recruit a

CONTROLLER EUROPE

reporting to our General Manager Europe

for our office based in Romanel-sur-Morges / Switzerland.

Responsibilities would include:

- Financial leadership by insuring state of the art forecasting, budgeting, controlling and reporting processes.
- Support of the sales and marketing operation with advice on the implications of different pricing strategies and channel development.
- Cash flow, currency and tax management.
- Overseeing credit control.
- People management of personnel based in Switzerland and other European countries.

The successful candidate should have the following qualifications:

- Chartered Accountant, CPA or equivalent with MBA desired.
- Minimum 10 [illegible] financial man[illegible] experience [illegible] should include a strong cost accounting background with excellent knowledge of activity-based costing and computer systems.
- Be familiar with issues related to a multinational company such as foreign exchange exposure ad intercompany pricing.
- Be [illegible] strong leader and excellent manager, strategic in approach but with a hands-on operating style.
- Ability to constantly challenge the status quo, be open to changing internal and external customer requirements and be comfortable with initiating change to ensure continuous improvement.
- *Superior communications skills and a* [illegible] record that demonstrates excellence in working with people of different ethnic and cultural backgrounds.
- Fluency in French and English with other European languages an asset.

If you meet these criteria and feel you have the enthusiasm and dedication to excel in this challenging and fast-evolving environment, please apply in writing with a full C.V. to:
Logitech SA, Human Resources Department, Moulin du Choc, 1122 Romanel-sur-Morges.

INVESTMENT MANAGER

The City of London office of a major International Bank [illegible] manager for [illegible] bond and foreign exchange [illegible] funds.

[illegible] a growing role to encompass marketing [illegible] promotion of a range of proprietary fund products, there is ample scope for development [illegible] advancement.

The successful candidate is likely to be a graduate in their late 20s/early [illegible] five [illegible] of relevant experience. Some supervisory experience desirable. Salary commensurate with [illegible] qualifications.

Reply in confidence with salary details and [illegible] copy of CV, by [illegible] February 1994 [illegible] 1994, Financial Times, One Southwark Bridge, London SE1 [illegible]

BOND SPECIALIST:
TOP OPPORTUNITIES IN SALES/BROKING

Pro Capital is a specialist organization in the debt/security markets. We have the backing of [illegible] powerful AA-rated American institution.

We are looking for [illegible] few experienced and high calibre individuals to set up or expand one of the following areas:

- illiquid bonds and high yielding bonds
- *emerging markets*

openings also exist in other areas of the debt/security markets.

We can offer: outstanding performance based remuneration. Possibility to [illegible] responsibility and autonomy for the right candidates.

[illegible] your [illegible] or [illegible] confidentially: Oliver R. Froment, Managing [illegible] Pro Capital, CBC, 2 London Wall Buildings, London Wall, London, EC2M 5PP, tel: 071 628 4200, fax: 071 628 0870

Standard Chartered

Regional Head of Human Resources - Africa

To £60,000 + Benefits — London Based

Outstanding opportunity for talented HR generalist to direct policy [illegible] practice of HR throughout bank's African network.

THE COMPANY
- Standard Chartered [illegible] a truly international bank in geographical spread of offices and composition of its [illegible]
- Strong in Africa, Asia Pacific and Middle East. Well established presence in twelve African countries.
- HR policy driven regionally through [illegible] professionals.

THE POSITION
- Lead and co-ordinate development and implementation of [illegible] practice HR for Africa.
- Build close links with local HR and business teams. Provide authoritative generalist personnel input to business.
- Bring expertise in management, planning, development and training. Total dedication to quality.
- Part of the regional management [illegible] based [illegible] reporting [illegible] the General Manager.

QUALIFICATIONS
- Ideal candidate will be senior HR professional with relevant experience of Africa.
- Excellent communicator and persuader. Energy, enthusiasm, commitment and stamina. Extensive travel essential.
- Must be able [illegible] manage large [illegible] in Africa from London. Clear thinking, highly organised and tenacious.

Please send full cv, stating salary, ref N0451
NBS, 54 Jermyn Street, London [illegible]

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Executive Secretary

CESD-Communautaire

CESD-Communautaire, a non-profit making association for statistical cooperation, based in Luxembourg, looks - for immediate recruitment - for its (m/f) EXECUTIVE SECRETARY.

He will be in charge of the animation of technical departments, co-ordination of activities and definition [illegible] general strategies.

He needs to be a good manager, including human resources management, and to have a good handling of negotiation.

We are looking for a candidate satisfying the following criteria: ☐ age: between 35 and 55; ☐ professional experience in project management: at least 10 years; ☐ educational background: university degree or equivalent in economy, management or statistics; ☐ languages: perfect command [illegible] English and French; ☐ should like team work and handle easily contacts, and ☐ have an up-to-date knowledge of CEC cooperation activities [illegible] politics with developing and transition countries.

Interesting remuneration conditions are offered corresponding to qualification and experience.

Candidates from the European Union are treated with preference.

Please send your application, completed by a detailed up-to-date Curriculum Vitae, before February, 11 th [illegible] the following address: *CESD-Communautaire, Ref.: REC/SE-94, EBBC B/5, route de Treves 2 - [illegible] L-2633 SENNINGERBERG - GRAND DUCHY OF LUXEMBOURG.*

Management Consulting

Enviable [illegible] opportunity for [illegible] accomplished
OR professional with sound financial modelling experience

London — up to £30,000+benefits

KPMG Management Consulting [illegible] one of the leading management consulting firms in the UK. The Business Modelling team, part of [illegible] Strategic Business Management Group, provides a wide range of operational research and related expertise [illegible] a diverse client portfolio spanning the public and private sectors.

In [illegible] forthcoming engagements, particularly in relation [illegible] financial modelling, KPMG [illegible] seeking [illegible] additional high calibre consultant [illegible] join [illegible] team in [illegible] significant [illegible] role for a self-motivated and innovative professional able [illegible] offer:

- Good [illegible] degree plus an [illegible] in [illegible]
- Proven track record [illegible] 1–3 years' [illegible] which must include demonstrable experience of financial modelling projects
- Ability [illegible] complex technical problems within tight [illegible]
- Initiative, enthusiasm [illegible] excellent communications skills
- Ability [illegible] balance priorities in accordance with client needs

A competitive salary [illegible] offered [illegible] reflect experience and ability together with a comprehensive benefits package – all in a highly stimulating environment fully committed [illegible] individual training and development.

To apply, please [illegible] your CV with full salary [illegible] Angela Tambini, [illegible] Management Consulting, [illegible] Salisbury Square, London EC4Y [illegible], quoting ref. [illegible]

KPMG Management Consulting

ENERGY TRADING MANAGER

South East
Substantial salary + major benefits

Our client [illegible] a leading [illegible] company in the forefront of development in the energy trading market. It has created a small, non-hierarchical team to manage a diverse trading portfolio.

The people and systems are in place. What is needed [illegible] a key individual [illegible] help drive [illegible] team forward into [illegible] territory.

You will [illegible] familiar with risk management techniques [illegible] on paper derivatives. You must [illegible] with energy swaps and derivatives, preferably with an emphasis on electricity. In [illegible] you must [illegible] innovative and creative, and show the ability to develop [illegible] products for [illegible] increasingly sophisticated market. In this highly visible role, conducting business [illegible] board level both internally and externally, interpersonal skills will be paramount.

As you will be expected [illegible] make [illegible] immediate contribution, a background in electricity generation [illegible] trading would be a distinct advantage. However applications from any suitably qualified person with experience in the gas and oil industry, or an energy related financial business would be welcome.

Please send a full cv, indicating current salary, which will be forwarded to our client unopened. Address to the Security Manager if listing companies to which [illegible] should [illegible] sent. Write to [illegible] P6932/FT, PA Consulting Group, Advertising and Communications, 123 Buckingham [illegible] Road, London SW1W 9SR. The closing [illegible] for receipt of applications is [illegible] February 1994.

PA Consulting Group
Creating Business Advantage
Executive Recruitment • Human Resource Consultancy • Advertising and Communications

Investment Administration Manager

M3/M4 Corridor — to £50,000 + car

The investment management business of [illegible] progressive international finance services group [illegible] performed remarkably well over [illegible] years despite difficult market conditions. [illegible] under management have grown strongly in the 1990s. Our client has high quality systems, an innovative [illegible] of products and [illegible] growing reputation, [illegible] least for [illegible] success [illegible] emerging markets.

The role of Investment Administration Manager [illegible] pivotal. Reporting [illegible] Group [illegible] Director [illegible] managing [illegible] department [illegible] some forty staff, [illegible] candidate will [illegible] responsible for [illegible] efficient administration and control of all the Group's life, pension, unit [illegible] and other [illegible] This [illegible] include pricing, accounting, compliance, custodian liaison and management reporting, as well as systems development and marketing support.

Candidates should [illegible] experienced managers of graduate calibre who have developed specialist knowledge of investments and the investment markets. They should [illegible] to demonstrate [illegible] successful track record [illegible] the administration of complex unit [illegible] and funds in [illegible] high-quality, high-pressure environment. We are seeking [illegible] with the maturity to guide and motivate [illegible] young [illegible] and the credibility [illegible] build [illegible] rapport with fund managers, regulators, custodians and [illegible] This challenging [illegible] will [illegible] disciplined problem-solver with well-developed leadership [illegible]

[illegible] reply, in confidence, quoting ref: A54C14 and enclosing your CV [illegible] details of current remuneration to Paul Carvosso, MSL International Limited, [illegible] Aybrook Street, London W1M 3JL.

MSL International
CONSULTANTS IN SEARCH AND SELECTION

Merrill Lynch International Bank Limited

Letter of Credit Professional

Excellent Package — London

Our client, MLIB, provides private banking [illegible] to high net worth [illegible] throughout the world. The Bank [illegible] products including collateralised loans, treasury products and related letter [illegible] credit [illegible] Continued [illegible] growth in the [illegible] activities [illegible] a requirement for [illegible] experienced professional to join the [illegible] team. The [illegible] will [illegible] competitively rewarded including a full benefits package.

THE APPOINTMENT
- Contribute [illegible] the further profitable development of the Bank's letter of credit business.
- Exploit and expand existing client business and identify new market opportunities.
- Provide technical review of and assistance with proposals from bankers and clients.
- Ensure improved efficiencies in product delivery.

THE REQUIREMENTS
- Minimum of five years' relevant background with strong technical knowledge of letters of credit.
- Evidence of having developed and driven new product initiatives through to delivery.
- Strong team orientation and client focus.
- Excellent intellectual and communication skills.

Please apply in writing with a full CV and salary details, quoting reference 1003/T, to Susannah Truswell.

K/F Associates, Pepys House, 12 Buckingham Street, London WC2N 6DF

K/F ASSOCIATES
Selection & Search

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MERCHANT [illegible]

FX DEALER

There is an opportunity to join an expanding [illegible] in the Treasury Department of a highly-regarded, quoted UK merchant bank.

The role involves trading in foreign exchange – primarily spot – in all major currencies as well as dealing in the [illegible] markets.

Candidates [illegible] be intelligent, highly-motivated graduates [illegible] their mid- [illegible] late 20s with a minimum of 3 years' experience of treasury markets and some experience of trading.

Salary [illegible] negotiable and will [illegible] with [illegible] and experience.

Write [illegible] full CV to:
Bridget Anderson, Personnel Manager, Leopold Joseph [illegible] Sons Limited, 29 Gresham Street, London EC2V 7EA.

Member of IMRO

CORPORATE COMMUNICATIONS AGENCY SEEKS EXECUTIVES

A leading, London-based, financial and corporate communications agency [illegible] seeking executives, at both senior and junior levels, to work in the UK/continental Europe.

Applicants should have skills in and knowledge of one, or more, of the following:

INVESTOR MARKETING - CORPORATE FINANCE
EUROPEAN CAPITAL MARKETS
CORPORATE COMMUNICATIONS - MEDIA RELATIONS
PUBLIC [illegible]
FINANCIAL PRODUCT MARKETING

Direct experience within a communications agency would [illegible] desirable, but [illegible] not essential.

Fluent, continental European, linguistic [illegible] are also an advantage.

Please apply, in confidence, to: Box No B1995, Financial Times, Number One Southwark Bridge, London SE1 9HL.

ECONOMIST/STRATEGIST

Investment Management - Global Policy

Prudential Portfolio Managers is one of the largest investors in the UK and, with over £60 billion under management, one of the prime players [illegible] global markets.

We apply the most advanced and innovative techniques to the investment management process. Central in the development and implementation of these strategies is the Global Policy Unit, a small, high calibre group of Economists, Market Strategists and Quantitative Analysts. To expand this team, [illegible] seek an Economist/Strategist who is eager to work within this intellectually stimulating environment.

You will be responsible for designated areas of the global economy, liaise with [illegible] offices around the world and play a major role in the asset allocation decision making process. Ideally, you will have a degree in Economics plus several years' experience of economic or market analysis in fund management. Confidence, strong communication skills and a genuine interest in applying rigorous [illegible] analysis to financial markets are prerequisites. Recent graduates, especially those with a relevant postgraduate qualification, [illegible] welcome to apply.

We offer competitive salaries, depending on experience, plus financial sector benefits.

Please write, enclosing your C.V., to Sarah Hampden, PPMSPS, Prudential Portfolio Managers Limited, 142 Holborn Bars, London EC1N 2NH.

We are an equal opportunity employer.

PRUDENTIAL
Portfolio Managers

INVESTORS CHRONICLE

COMPANIES WRITER

[illegible] require an [illegible] analyst/financial journalist. The job [illegible] an interesting [illegible] responsible [illegible] analysing [illegible] performance [illegible] major quoted companies and [illegible] an informed [illegible] on [illegible] writer [illegible] his/her own [illegible] is expected [illegible] of the team.

Candidates need [illegible] interpret [illegible] company's [illegible] performance. [illegible] price, [illegible] and entertaining language while meeting demanding [illegible]

[illegible] with [illegible]
[illegible] Editor, [illegible]
Greystoke [illegible] Lane
London [illegible]

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For [illegible] 14 years [illegible] largest network of career centres in the UK has specialised in identifying unadvertised vacancies for top executives. [illegible] for a confidential meeting without [illegible]
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[illegible] Row, London W1X [illegible] Tel: 071 734 3879 Fax: 071 734 2620

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is offering the following jobs

Proprietary trader
- responsible for all major European bond markets (Euro- and govt. bonds)

Proprietary trader
- responsible [illegible] US [illegible] bond trading (Euro- [illegible] govt. bonds)

Proprietary trader
- responsible [illegible] North [illegible] equity [illegible]

FX Trading - Forward dealers
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ACCOUNTANCY COLUMN

Pitfalls in the way of a better understanding

Andrew Jack considers [redacted] book that questions whether financial reports can ever tell the whole story

On September [redacted], Carr, Kitcat [redacted] Aitken, [redacted] City investment analysts, circu[redacted] a report recommending [redacted] cli[redacted] buy shares in Polly [redacted] Interna[redacted] the current price of [redacted]. The author predicted [redacted] substantial improvement in pre-tax profits for [redacted] and [redacted].

Just [redacted] days later, Polly Peck, [redacted] conglomerate controlled by [redacted] Nadir, [redacted] plummet [redacted] 108p before they [redacted] suspended on the Stock Exchange. The [redacted] history: [redacted] by the Serious Fraud Office, the appointment [redacted] administrators to the company under UK insolvency law, [redacted] of enormous misappropriations of funds, [redacted] Mr Nadir illegally jumping bail to flee to northern Cyprus.

[redacted] much attention [redacted] given [redacted] machinations of [redacted] company, [redacted] executives [redacted] investigators since that date, rather less has been paid to the question of the financial information present in the company's [redacted] whether the warning signs [redacted] well in [redacted].

Trevor Pijper, an [redacted] in the technical department of [redacted] Young [redacted] London, attempts to [redacted] right as part of his book on creative accounting*. [redacted] of [redacted] of financial reports will [redacted] by the information they could possibly contain.

In the preface, Pijper [redacted] wrote [redacted] in part [redacted] *another on creative accounting* which [redacted] published in [redacted] Accounting for Growth, by Terry Smith, the City analyst. [redacted] Smith's approach of grading [redacted] *nies by allocating them "blobs"* [redacted] each accounting "trick" they used [redacted] simplistic.

He [redacted] through the ele[redacted] company [redacted] suggesting that there is no single correct way [redacted] present information in all circum[redacted]: how [redacted] allocate credits or goodwill, [redacted] point [redacted] dominant influence [redacted] control, [redacted] limita[redacted] of [redacted] components [redacted] both the numerator and [redacted] denominator in any gearing calculation. [redacted] are crude attempts to deal [redacted] complex problems, he argues.

Pijper [redacted] approvingly an article in 1991 by David [redacted] and Tim Russell of Cambridge University. They examined [redacted] role [redacted] Polly [redacted] *analysts, and* [redacted] they seemed more willing [redacted] pay [redacted] to information provided by the [redacted] than the "danger signs" [redacted] in [redacted] accounts.

He [redacted] of five-year trend [redacted] on the [redacted] which [redacted] use [redacted] highlight points for [redacted] management. In Polly [redacted], it sug[redacted] *possible* [redacted] financing [redacted] and declining profit margins.

He [redacted] the source and application [redacted] into the newer cash flow format with the aid of footnotes in the 1989 accounts, to show [redacted] far Polly Peck was dependent on new finance from its [redacted] and [redacted] to run [redacted] *existing operations.* The [redacted] clear. A [redacted] of [redacted] could have seen the troubles afoot.

[redacted] danger of this approach, [redacted] course, is the benefit of hindsight. Many *similar* warning [redacted] be drawn from other companies that have not collapsed [redacted] not [redacted] so. It [redacted] neglects the considerable question [redacted] over the reliability [redacted] the figures published, making their examination far [redacted] relevant.

[redacted] is nevertheless [redacted] important theme to which Pijper [redacted] in his book. He cites the [redacted] of Trafalgar House, the construction, property, shipping and hotels group, which triggered the [redacted] real confrontation for the Financial Reporting [redacted] Panel, the enforcement arm [redacted] machinery established along[redacted] Accounting [redacted] as result of [redacted] Companies Act.

After *some* initial brinkmanship, the company amended [redacted] 1991 treatment [redacted] revaluation and reclassification of proper[redacted] current [redacted] under [redacted] from the Review Panel.

Yet Pijper highlights [redacted] that all [redacted] information [redacted] in [redacted] accounts, though *analysts apparently ignored* it. [redacted] inter[redacted] episode [redacted] of [redacted] panel, but more importantly [redacted] of [redacted] limitations. All it [redacted] was to clarify presentation, [redacted] not, for example, [redacted] on the appropriateness [redacted] adopted.

A [redacted] aspect of the book [redacted] attempts to consider the [redacted] *financial reporting machinery,* although [redacted] presents [redacted] moving target given the current [redacted] of change. In [redacted] the review panel, [redacted] that it can only [redacted] with external, disclosed factors and not confirm [redacted] correct [redacted] of accounting policies.

[redacted] generally, he sees the develop[redacted] of new accounting standards [redacted] part of [redacted] increasingly regulatory [redacted] to [redacted] the quality of financial information in the last 20 [redacted] – citing the activities [redacted] the [redacted] issues task force and [redacted] intention of standards-setters to revise [redacted] their new regulations every two years – he suggests that [redacted] will always [redacted] loopholes and [redacted] a watertight rulebook.

While he says there can be no doubt [redacted] enthusiasm of the Accounting Standards Board, he questions how [redacted] activities [redacted] meeting [redacted] objective [redacted] "provide shareholders and creditors with [redacted] adequate basis for understanding a company's accounts and [redacted] financial position".

Pijper [redacted] not always able to [redacted] through and connect the [redacted] his arguments. For example, [redacted] builds up a good explanation of the motivations for creative accounting. Manipulating profits can *help companies* [redacted] acquisitions, gain access to finance and swell directors' remuneration, he says. [redacted] to say whether manipulation takes place as a result, [redacted] how widespread it might be.

[redacted] raising a number [redacted] important questions, *he sometimes lapses into* [redacted] recitations [redacted] standards and regulations [redacted] vague speculations, rather [redacted] *providing* [redacted].

Without much exploration, he [redacted] one of his [redacted] original and radical points in a single [redacted] the end: that there should be economic penalties for preparers who fail to provide [redacted] informed users the information needed for sensible decisions.

The most depressing aspect [redacted] the text is that it essentially ends up as a defence of the accountancy profession. The conclusion [redacted] to [redacted] that [redacted] best and perhaps the only people equipped to [redacted] and interpret financial statements.

[redacted] result, he takes [redacted] line in suggesting that educa[redacted] combat *ignorance of* [redacted] *limi*tations of accounts needs [redacted] emphasis. In a spirit [redacted] also [redacted] *users of* [redacted] other than controlling shareholders have little choice but [redacted] place their [redacted] stewards [redacted] to man[redacted] finances [redacted] companies in which they have invested. In that vein, he fails to address the extent to which some greater [redacted] or modification in [redacted] require[redacted] might help improve accounts for a [redacted] of [redacted] user [redacted].

Nor [redacted] the potential vulnerability as a result of commercial [redacted] on auditors in approving [redacted] of which they disapprove, [redacted] alone [redacted] their potential active complicity in devising treatments which [redacted] be designed with transparency and [redacted] in mind. [redacted] *his criticism* [redacted] *the accountants* themselves.

But the [redacted] contribution in [redacted] on the changing face of accounting [redacted] Britain.

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c. £75,000 package | *Rolling Stock Leasing Companies* | *London/ Midlands*

Finance Director

The privatisation of British Rail is one of the most demanding business challenges of post-war years. The creation of three new Rolling Stock Leasing Companies is a key part of this process and will become a substantial new industry in the UK. Each of the companies will own and manage the railway vehicles to be leased for passenger train operation. A typical fleet will have mixed stock of c. 3,500 vehicles with a value of c. £1.5bn and will compete for business. This exciting task demands skills and application of the highest order. It is intended that the companies will eventually transfer to the private sector.

THE ROLE

- Responsible to the Managing Director for establishing and managing the full finance function of this new enterprise; building and developing a small, high-powered team.
- Raising the most effective finance, forecasting cash flows, risk profiling and management, developing a pricing strategy and maximising commercial opportunities.
- Key role in the strategic development of this new industry. Lead role in negotiating contracts. Developing and implementing 'state-of-the-art' systems.

THE QUALIFICATIONS

- Qualified graduate finance professional with first-class record of achievement in a progressive, blue-chip operating leasing company. Disciplined analyst with high levels of commercial flair.
- Well-developed financial management and systems skills. Accomplished negotiator with keen understanding of treasury and financial products.
- Positive, committed, team player with questioning, participative style. Intellect and technical skills to be credible and influential at the highest levels.

Leeds 0532 307774
London 071 493 1238
Manchester 061 499 1700

Selector Europe
Spencer Stuart

Please reply with full details to: Selector Europe, Ref. F2060141, 16 Connaught Place, London W2 2ED

Group Internal Audit Manager

Major International Plc

c.£50,000 + Attractive Benefits | Midlands

Outstanding opportunity for experienced professional to shape newly created role at the heart of this Group.

THE COMPANY

- £Multibillion turnover. Circa 20,000 employees.
- Exciting period of rapid and fundamental change. Focus on adding value from the Group centre.
- Poised for significant growth in profitability.

THE POSITION

- Senior role in high profile group. Significant influence on business units to facilitate change.
- Review existing financial systems and controls groupwide. Develop strategy, policy and procedures for internal audit and review.
- Perform ad hoc projects as required, including the review of broader commercial procedures.

QUALIFICATIONS

- Substantial, senior audit experience allied with sound business acumen gained in commercial environment.
- Persuasive, energetic, aged 35-45. IT literate.
- Excellent communicator with strong personal impact. Confident and enthusiastic. Credible at board level.

Please send full cv, stating salary, Ref BN0340
NBS, Berwick House, 35 Livery Street, Birmingham, B3 2PB

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FINANCE DIRECTOR

East Anglia | **£45,000 + bonus + car**

With sales of £45 million, this successful book manufacturer, part of a major blue-chip printing plc, is a market leader in the printing of all kinds of paperback and hardback books - fiction, non-fiction, reference, religious and educational. This profitable company continues to increase its market share through investment in technology and total commitment to customer service.

Reporting to the Chairman/Chief Executive, you will join a young, high quality board and take functional responsibility for financial management, reporting and systems. First and foremost, however, you will be a member of the divisional board and will demonstrate the experience, commitment and desire to contribute actively to all aspects of the company's future success.

A graduate chartered accountant, perhaps with a business qualification, you are ideally aged early 30s and have excellent commercial experience gained in a substantial and fast moving customer service led organisation. Experience of overseeing the implementation of IT-based systems across all functional areas, and with trading partners, is essential, and a good understanding of costing and pricing in a manufacturing environment would be an advantage. As a mature, energetic individual with a strong, outgoing personality, your prospects within the group are excellent and varied, with opportunities to move into general management.

Please send a comprehensive CV including salary history and daytime telephone number, quoting reference 3359 to Neil Cameron, Touche Ross Executive Selection, Friary Court, 65 Crutched Friars, London EC3N 2NP.

Touche Ross
Deloitte Touche Tohmatsu International

MANAGEMENT CONSULTANTS

Finance Director

International Group

Full Family Expatriate Package | Cayman/London

Unusual and challenging opportunity for finance professional at centre of private group embarking on major period of change. Excellent long-term career prospects.

THE GROUP

- Privately owned; real estate, trading, shipping and financial services activities. Headquarters in Cayman.
- Long established with autonomous operations in Japan, USA and UK. Scope to improve performance through stronger financial management.
- Poised to review nature of operations and re-focus. Eventual relocation to major financial centre likely.

THE POSITION

- Group Board appointment with full responsibility for all financial management worldwide. Report to Chief Executive.
- Key tasks are to upgrade budgeting, accounting and treasury management, working closely with line managers.
- Give strategic and commercial input. Monitor tax, legal and compliance matters.

QUALIFICATIONS

- Qualified, computer literate accountant with relevant experience of international group.
- Experience of international tax, treasury and general financial management. Ability to win management support for change. Age 32-45.
- Financial and commercial wisdom combined with energy and drive. Communication and diplomatic skills essential. Willing to travel frequently.

Please send full cv, stating salary, Ref IBM4221
NBS, Berwick House, 35 Livery Street, Birmingham, B3 2PB

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PEPSICO Sp. z o.o. POLAND | TACO BELL | KFC | Pizza Hut

PEPSICO'S outlet expansion in Poland is set at 700% for the end of 1994 and creates a position for an experienced, qualified accountant as

FINANCIAL CONTROLLER

WARSAW

The successful candidate will be responsible for managing the existing finance team and leading them in undertaking growth related financial responsibilities. The position offers an exceptional opportunity to join a dynamic multinational as a key player during this exciting time in the company's development. PEPSICO is committed to long-term developments and as such offers candidates seeking a challenging career in an exciting market significant prospects. The Financial Controller will be directly accountable to PEPSICO'S head office in the USA and have "dotted-line" responsibility to the company's financial director in the UK and as such will hold the senior financial position in PEPSICO Poland.

To be successful in this challenging role, you will require:

- fluency in Polish and English
- aged 29+
- western accounting qualifications and 2-3 years financial experience gained within an FMCG environment
- strong team leader, tenacious and dynamic with excellent communication and management skills
- proven experience of financial and cost management with a successful record of profit and loss responsibility

A good remuneration package will be offered. As this position will be located in Warsaw, relocation assistance will be offered if necessary. Long term career prospects are superb, as the job will grow in line with the projected fast expansion of the company.

Interested candidates should write in confidence, enclosing a detailed C.V. quoting ref. 7790 to: **Adam Piekarski** at Nicholson International Poland, Al Jerozolimskie 56C, Warszawa 00 803 tel **(48 2) 630 2285** fax **(48 2) 630 2262** alternatively to: **Fiona Davidson** at Nicholson International UK, Africa House, 64-78 Kingsway, London WC2B 6AH tel **(44 71) 404 5501** fax **(44 71) 404 8128.**

NICHOLSON INTERNATIONAL — *Poland* —

France Italy Holland Spain Germany Belgium Turkey UK Czech Republic Hungary Romania Russia

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Financial Reporting

£ Excellent + Car + Bonus + Benefits

Having qualified as an ACA with a major professional firm, you will have consolidated your accounting experience and gained a fuller understanding of investment banking. You may have done this by specialising in finance sector clients or by a move into banking in an audit or accounting role. In reviewing the direction of your career and considering how to meet your aspirations, you may have concluded that the time has come to move.

Salomon Brothers is one of the world's most powerful and profitable financial institutions and a pre-eminent force in global securities markets. Sustained expansion and the commitment to sophisticated financial management have created the need to make a key appointment within the London finance team.

Reporting to senior management, you will be responsible for financial accounting and reporting for the firm's European legal entities. Liaising closely with colleagues in London, Europe and New York you will enjoy exposure to the full range of business activities and the opportunity to manage a growing team.

Candidates will be high calibre Chartered Accountants with three to five years' post-qualifying experience in the financial institutions sector. Business understanding will be underpinned by strong technical, analytical and quantitative abilities. You will have the maturity, credibility and interpersonal skills necessary to work with management at all levels. Above all you will have energy, flexibility, determination and the potential to succeed.

Successful candidates will be fully challenged by an exciting, fast moving environment. In a culture which rewards performance your prospects for pay and promotion will be outstanding.

Interested candidates should write to our advising consultant **Suzie Mummé** quoting Ref 256 at **BBM Associates Ltd (Consultants in Recruitment), 76 Watling Street, London EC4M 9BJ** enclosing a full Curriculum Vitae which should include contact telephone numbers. Any applications sent to Salomon Brothers will be forwarded to BBM Associates. All applications will be handled in the strictest confidence.

Salomon Brothers

CHIEF ACCOUNTANT

London £33-£35k

Marie Curie Cancer Care is the largest cancer care charity in the country providing hospice and community care, research and education with a turnover and expenditure at approximately £32m.

As Chief Accountant you will assume overall responsibility for the accounting for, and reporting on, all financial aspects of the Organisation. Reporting directly to the Finance Director this will entail the timely production of management accounts, the supervision and coordination of our Head Office Accounts and Payroll Department which consists of 12 staff, the coordination and control of the accounting function throughout the organisation, as well as the provision of training to all accounts personnel.

Initially this will involve having a direct input into the design and implementation of new PC based networked accounting systems for the Organisation whilst continually reviewing, updating and improving procedures within the Department. You will also manage the administration of the salaries, pensions and all tax matters.

To succeed in this role you should be a highly self-motivated, graduate, and a qualified Accountant with a minimum of 5 years' relevant experience. You should be able to demonstrate judgement and diplomacy as well as a willingness to take a "hands on" approach.

If you wish to apply for this position please write with a full CV to Caroline Hamblett, Personnel Manager, Marie Curie Cancer Care, 28 Belgrave Square, London SW1X 8QG. Closing date 10th February 1994.

MARIE CURIE CANCER CARE

Coopers & Lybrand | Executive Resourcing

Finance Manager

SOUTH WALES | **c £40,000 + BENEFITS**

This UK subsidiary of a US parent is a market-leading manufacturer of consumer products. It has an enviable reputation for quality and service, a blue-chip customer base and is anticipating significant growth from its present turnover of £24m.

The role of Finance Manager is a broad one. Reporting to the Managing Director and a member of an experienced executive team, your responsibilities will include all aspects of financial management, purchasing and company secretarial matters. You will also need to ensure that existing management systems continue to develop to meet the changing needs of the business. The emphasis will be on team work and hands-on financial control and you can expect wide-ranging involvement in commercial and strategic decision making.

A graduate accountant, probably in the age range 35-45, you will have managed a finance function, preferably in a volume manufacturing business. You will have a practical, shirt-sleeves approach to financial management, a well-developed commmercial awareness and practical computer literacy.

Please send full personal and career details, including current remuneration and daytime telephone number, in confidence to Peter Jones, Coopers & Lybrand Executive Resourcing Ltd, Abacus Court, 6 Minshull Street, Manchester M1 3ED, quoting reference P266 on both envelope and letter.

Coopers & Lybrand | Executive Resourcing

Group Financial Director

WEST LONDON M4 CORRIDOR c £60,000 + SUBSTANTIAL BENEFITS AND OPTIONS

This is an exceptional opportunity for a commercial and ambitious finance professional to assist in the further development and expansion of a £25m turnover quoted manufacturing group. Following a programme of major organisational and operational initiatives, this plc is now in a strong position to move forward and exploit and reinforce the strength of its brand portfolio.

Reporting to the Chairman & Chief Executive, you will succeed the present Financial Director, who retires in mid-1994. Priority will inevitably be to ensure tight financial control of all Group activities. Fundamental to this will be the need for firm cash management as well as maintaining systems capable of regulating a fast-moving and ever-evolving organisation. You will also be required to play a key central role in the decision-making process across all business activities, directly working with the operational management teams in optimising profit performance.

A graduate qualified Accountant, you must be able to demonstrate the relevant level of technical skills, commercial maturity and vision necessary to succeed in this demanding environment. A track record of achievement in a commercially strong, market-led consumer products organisation is essential, as are the interpersonal skills and ability to positively influence at board level. You must also be equally capable of functioning at both a strategic level and in the detail necessary to drive operational issues and control associated costs.

Please send full personal and career details, including current remuneration level and daytime telephone number, in confidence to Adrian Edgell, Coopers & Lybrand Executive Resourcing Limited, 9 Greyfriars Road, Reading RG1 1JG, quoting reference AE885 on both envelope and letter.

Finance & Business Planning Manager

New IT Services Business

c.£40,000 + Benefits + Car — Manchester Area

Unique opportunity for finance professional to set up a finance/business planning function in new customer facing business within an internationally renowned British Group.

THE COMPANY

- Sizeable IT services department to be rightsized, refocused and reskilled. Plan to launch early 1995 as wholly owned subsidiary.
- Focus on facilities management; systems integration; business systems development; desk top support; project management.
- £5m + investment; targeting £15m turnover. Internal and expanding external client base.

THE POSITION

- Establish finance/business planning team. Work with senior management to develop business strategy.
- Implement financial reporting, management information and business planning systems.
- Manage service contracts. Support business growth. Build internal and external relationships.

QUALIFICATIONS

- Graduate qualified Accountant. Probably aged early to mid 30's.
- Exposure to all aspects of financial control and business planning, preferably within a service industry.
- Strong commercial acumen. Effective in a start up and growing business.
- Flexible, energetic, robust. Ability to lead, manage and to work in multi-skilled project teams.

Please send full cv, stating salary, Ref MN0453
NBS, Courthill House, Water Lane, Wilmslow, Cheshire, SK9 5AP

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Chief Accountant

A business role in hi-tech manufacturing

South West — c£34,000 + bonus + car

Our client is a £50m subsidiary of a respected blue chip company with an outstanding record for business success. Run as an autonomous unit, the organisation is a technology leader with a reputation for quality and successful product innovation. Lean and non-bureaucratic, the company has market leadership in most of its chosen fields.

Working closely with the Financial Controller with a brief to introduce new ideas and manage change, you will have responsibility for a team of 20 controlling financial and management accounting, as well as working capital. You will prepare, review and maintain financial plans, determine information requirements and develop the MIS to satisfy these requirements. You will also be responsible for monthly and year end statutory accounts, develop and maintain financial procedures and provide guidance to assist departmental managers in budgeting and business development.

Probably a graduate aged 28-35 and a qualified accountant, you must have a manufacturing background encompassing integrated systems, ideally within an MRP2 environment. You will be experienced in accounting for development contracts and possess a good grounding in advanced costing techniques. Your personal profile will include commercial acumen, strong communication skills, an enquiring, innovative mind and the capacity to operate independently. Your drive to succeed and your motivation will prepare you for other development opportunities within the group.

Please reply in confidence quoting Ref. A52C15 and enclosing your CV and details of current remuneration to Brendan Keelan, MSL International Limited, 32 Aybrook Street, London W1M 3JL.

MSL International
CONSULTANTS IN SEARCH AND SELECTION

Finance Manager

Crowthorne, Berks

TRL has been an Executive Agency since April 1992. It is located at Crowthorne in Berkshire. Its function is to supply advice, research, research management and consultancy on transport matters, particularly matters to do with roads and their use. It has over 600 industrial and non-industrial staff, with a very wide spread of disciplines. About 400 are professionally qualified, the majority in scientific and technical fields.

The Agency has recently introduced and is continuing to develop a new management information system built around a general ledger package and incorporating a variety of sub-systems. The system enables the production of both financial and non-financial management information. Using the general ledger package the agency produced draft unaudited commercial accounts for the 1992-93 financial year and expects to produce its first audited accounts for the 1993-94 year.

DUTIES: *As Finance Manager, reporting to the Finance Director, you will take the lead in producing commercial style accounts and financial management information for the Board and other users on a regular basis and annual commercial accounts for audit and incorporation into TRL's Annual Report. You will be responsible for nearly twenty staff reporting in through line managers and will continue the process of introducing commercial accounting and financial control procedures into the department.*

A qualified accountant and member of one of the CCAB accountancy bodies, you will have had recent commercial experience covering both financial and management reporting. Whilst commercial experience is a prerequisite some knowledge of public sector accounting would also be useful.

The post, which is for a fixed three year period, will attract a performance related salary in the range £24,239 to £37,539.

APPLICATIONS: *Standard application forms can be obtained from Miss Y Stanford, Personnel Section, TRL, Old Wokingham Road, Crowthorne, Berks RG11 6AU. Tel: 0344-770543. Applications should be submitted to Mr D Gaines at the above address. Please quote Ref: 3/94.*

Closing date for receipt of applications is 25 February 1994.

We're an equal opportunity employer.

TRL CROWTHORNE

Senior Group Financial Analysts

up to £33,000 + Financial Sector Benefits — *London*

With 10 million savers, a million borrowers and over 680 branches nationwide, Abbey National is a leader in the highly competitive financial services sector.

Recent restructuring within the Finance Division has created two attractive opportunities in Group Financial Control, based in the London headquarters.

Reporting to the Head of Group Financial Planning and Analysis, one of these posts will be responsible for acting as the key link on financial matters between the Group headquarters and Treasury, while the other will play the same role in respect of the Life Assurance Division.

You will have involvement in all review aspects of your business area's reporting requirements and must be able to develop a sound understanding - from a financial perspective - of the activities of your area so as to evaluate and report on financial submissions. The provision of financial analysis on a wide range of group matters will also be an important aspect of your work.

A qualified accountant with at least two year's post-qualification experience, you will have gained broad experience of accounting and analysis within either a treasury or life assurance environment. As well as the ability to identify and analyse complex financial management issues, you will need a high standard of written and verbal skills to be able to present your findings to senior management.

The attractive salary offered for these appointments is supported by a full range of financial sector benefits.

Please write with full career and salary details quoting Ref GFC (Life Assurance) or Ref GFC (Treasury), to Jim Thompson, Personnel Manager, Abbey National plc, 4th Floor, Abbey House, Baker Street, London NW1 6XL. Tel: 071 612 4000.

In pursuing our policy of equality of opportunity for all, Abbey National positively welcomes applications from every section of the community.

To support a healthy work environment, Abbey National has a no smoking policy.

ABBEY NATIONAL
Promoting Success Through Equality

Group Treasurer

North of England — c £45,000, car, bonus, benefits

Outstanding opportunity for first class Corporate Treasurer to support Group Finance Director in upgrading Group's treasury operations. Highly strategic role in truly international PLC with dynamic young management team, exceptional record of acquisitive growth and strong commitment to continued success.

THE ROLE

• Total control of all aspects of treasury management in complex multi-currency environment • Responsibility for the enhancement of treasury systems and the management of banking arrangements to maximize earnings and net worth • Work closely with Group Finance Director to maintain relationships with clearers and optimize utilisation of surplus funds on a global basis.

THE QUALIFICATIONS

Exceptional young graduate treasurer. Preferably ACT qualified. Commercially minded, hard working, team player • Previous experience of the development of treasury systems in an international environment, coupled with a practical understanding of making maximum use of available capital instruments • Demonstrable strategic vision, strong technical background, complimented by a high level of personal communication skills to raise treasury awareness and ensure implementation of policy throughout the group.

Please reply in writing to BHM Search & Selection 27 York Place Leeds LS1 2EY enclosing a full curriculum vitae and quoting Reference BHM 10063. Telephone 0532 467033 Facsimile 0532 470191.

BHM
SEARCH & SELECTION

TAX LAWYER

Merchant Banking

Morgan Grenfell provides international merchant banking services to clients worldwide. The range of products and the client base are continually expanding. This growth has created the need for an innovative Lawyer to complement the Bank's high profile Group Tax team in London.

This newly-created position will allow considerable autonomy in developing methods to enhance the tax efficiency of the Group's operations at home and overseas. The role will focus on planning exercises, legislative developments and liaising with business areas on new products and structures.

Candidates will be qualified Lawyers (probably aged late 20's to mid 30's) who can combine commercial flair with strong analytical and problem-solving skills. You will have a minimum of three years' relevant post-qualification experience with exposure to tax legislation, particularly in banking and related products. This experience may have been gained in the tax department of a major law firm, international accountancy practice or financial services organisation.

There is an attractive remuneration package which will include a company car, mortgage subsidy and a non-contributory pension scheme.

For further information contact our advising consultant Barrie Pallen on 071 379 3939 (office hours) 081 651 0360 (evenings/weekend) facsimile 071 379 8709, or write enclosing brief details to BPA Search and Selection Limited, Acre House, 69-76 Long Acre, London WC2E 9AS.

All enquiries will be treated in strictest confidence.

MORGAN GRENFELL

Systems Accountant

£ Attractive & Banking Benefits

Our client is a prestigious British merchant bank which enjoys an excellent reputation in the UK and worldwide. The continued drive to enhance the quality of its systems infrastructure has resulted in the need to recruit a high calibre individual to join the financial management team.

Based in the City and reporting to the bank's Financial Controller you will be responsible for ensuring that the system requirements of the Finance Division are understood, managed and met. This will include designing and implementing enhancements to existing systems and identifying where "off the shelf" solutions should be used. Working closely with I.T. specialists and the business units you will interface with colleagues and management at all levels.

A graduate accountant aged 28-35, you will have strong accounting skills coupled with experience of project management and systems implementation. PC literacy is essential, as is experience of working with databases and with mini and mainframe computers. Whilst not essential, an understanding of merchant banking would be preferred.

Applications are invited from individuals with relevant experience who are currently working in banking, management consultancy, the accountancy profession, software houses and the industrial/commercial sector. The role provides real scope to contribute to the development of the bank's support infrastructure combined with excellent potential for career development within a premier financial institution.

Interested candidates should write quoting Ref 259 to BBM Associates Ltd (Consultants in Recruitment) at the address below indicating what attracts them to the position and why they consider their experience to be appropriate. Please enclose a full curriculum vitae which includes contact telephone numbers. All applications will be handled in the strictest of confidence.

76, Watling Street, London EC4M 9BJ — BBM ASSOCIATES — Tel: 071-248 3653 Fax: 071-248 2814

APPOINTMENTS WANTED

Director of Finance and Administration.

c.£37,000

This new post has been created to support the development of Edinburgh's Telford College as we move forward in the post-Incorporation period. With a budget of around £15M, 800 staff and 14,000 students, the College is one of the largest in Scotland and is undergoing rapid change and growth. This is an exciting opportunity for an ambitious manager to contribute to the College's continuing success.

Reporting to the Principal and Chief Executive, you will provide strategic direction to the management of financial planning and ensure that the administrative structure meets our requirements. These functions will be carried out through overall management of the Finance, Administration, Stores, Payroll and Janitorial services.

As well as full professional membership of an accountancy body, you must have significant experience in a managerial capacity, covering a number of the areas described. An appropriate management qualification is desirable.

For further details and an application form, please apply to the Personnel Section on 031-332 2491 between 8.30am and 4.35pm. Closing date for applications is Friday 11th February 1994.

Edinburgh's Telford College is an Equal Opportunities Employer.

EDINBURGH'S TELFORD COLLEGE

NEW SKILLS · NEW HORIZONS

SYSTEMS AUDITOR

The City Office of a leading International Bank seeks to recruit a senior systems auditor with the experience and skills to further develop an already important role within a dynamic Information Systems environment.

Candidates must be experienced auditors with demonstrable expertise in systems reviews. The successful candidate will work within a small team of auditors and will be responsible for a wide range of audit assignments, including all aspects of IS auditing as well as general audits and special projects.

An attractive package, including banking benefits, is available to the successful candidate. Applications should include current salary details and must be received by 3 February 1994; please reply with a copy of your CV to:

Box B1986, Financial Times,
One Southwark Bridge,
London SE1 9HL

FINANCIAL CONTROLLER

Finance/Leasing/Banking

Southern England **c.£46,000 + benefits**

This is an outstanding opportunity to earn a financial directorship with the wholly-owned leasing arm of a world-class U.S. manufacturing group.

Our client is at the forefront of a major marketing initiative to expand its current interests in the European automotive sector and the post of Financial Controller has been created in order to optimise the profitability of the UK operation through effective financial planning and analysis, tax-avoidance initiatives and asset-management techniques.

Reporting to the Managing Director and working very much as a proactive member of the senior management team, the successful candidate is likely to be a chartered accountant aged between 30 and 50, who is either in a similar position at the moment and currently in need of a fresh challenge, or is in a less senior role but shows strong leaning to the technical and commercial aspects of financial accounting and wants to have a more direct influence on the future path of his or her next employer.

A first-class salary and benefits package is being offered, together with relocation assistance as appropriate.

BUCKINGHAM ASSOCIATES

To discuss this position in more detail, please telephone Tony Williams or Andrew Nealby-Smith on 071-629 8677 (24 hours).

Responding to Human Resourcing Needs Across Europe

Foley House 12A Maddox Street London W1R 9PL Tel: 071-629 8677

FINANCE DIRECTOR *(Designate)*

c. £35K package **Cambridge**

Xaar is currently undergoing a period of dramatic growth following a recent multi-million pound licence deal for Xaar inkjet printing technology.

The Finance Director (designate) will report to the Managing Director and be expected to make a real contribution to the further success of the company in addition to being responsible for its financial efficiency.

Xaar currently employs 30 people and besides being a qualified accountant, we are looking for someone who is a commercially aware team player.

Please reply in writing with full career and remuneration history to:
Graham Wylie, Managing Director, Xaar Limited, Science Park, Milton Road, Cambridge CB4 4FD.

XAAR

INFLUENCING OUR SUCCESS

Financial expertise is one of the keys to the continued success of Boots The Chemists as a progressive and profitable organisation and with your capability and determination you could play an influential role in our future development.

An experienced accounting professional, you will bring a proactive and innovative style to our recently established Operational Review Department, providing an effective lead in the management of business risk and adding value to our business performance.

Operational Review

MANAGER (Ref. FT1)

£30 - £35K + Car + Benefits. **Nottingham**

Leading a team within Operational Review you will influence the development of Company wide Financial Control policies and procedures providing clear standards of performance for line management. You will develop and implement a comprehensive control review programme throughout the company and in particular you will identify and assess potential risk situations, recommend improvements, establish action plans and ensure the provision of appropriate training to management in the principles of maintaining sound control systems.

A graduate accountant with a minimum of five years post qualification experience, you will have a thorough knowledge of audit techniques and a sound understanding of the dynamics of a successful business. A capable organiser, motivator and problem solver, you will have the personality and ability to influence at all levels in this high profile management service role.

SENIOR ANALYST (Ref. FT2)

£26 - £29k + Car + Benefits. **Nottingham**

Supporting the Manager your role will be to plan and execute assignments, examining and evaluating the adequacy and effectiveness of the controls over the Company's business processes. You will be required to provide advice and guidance throughout the organisation in respect of risk minimisation and will represent the department on a variety of working groups. You will further participate in the planning and delivery of training programmes to management in enhancing their awareness of control issues.

A graduate accountant you will have a minimum of three years post qualification experience with previous exposure to the audit of large information systems or alternatively influencing management in the creation of efficient and effective operational practices in a change orientated environment. Your expertise will include well-developed communication, organisational and analytical skills, with the ability to work both on your own initiative and as a team member.

If you think you have the expertise and drive to add value to our success and would like to enjoy the rewards and benefits of working with a premier UK Company, then please send a full CV, quoting a daytime telephone number and the appropriate reference number, to Paul Maclldowie ACA at Maclldowie Davids, 10 Regent Street, Nottingham NG1 5BQ Fax 0602 859074 or telephone him on 0602 470200.

MaclldowieDavids

Boots

BOOTS THE CHEMISTS LTD
An equal opportunity employer

GROUP FINANCIAL CONTROLLER

SALARY £30K - £35K CAR, PENSION, BONUS POTENTIAL

A commercially minded, qualified, ambitious individual is sought for this role in support of the Group Finance Director in a South Yorkshire based manufacturing and distribution company.

A wide range of skills and experience is required, to include financial and cash management, statutory accounting, budgetary control and standard costing. These skills should be combined with a high degree of computer literacy and systems knowledge.

The candidate must be a good team member, proactive, highly analytical and challenging yet persuasive in person and writing.

Some experience of international subsidiaries and consolidation would be beneficial as would be the ability to speak French.

Preferred age is 30-35.

Write to Box B1966, Financial Times, One Southwark Bridge, London SE1 9HL

Join a rebel with a cause

FINANCE DIRECTOR

with MD potential

Based South Yorkshire **c.£45k + car + benefits**

This is a superb career opportunity for an ambitious accountant with the resilience and charisma to both challenge and complement the individualistic style of an entrepreneurial Managing Director who has built this profitable retail clothing business from scratch.

With outlets nationwide and a turnover in excess of £14 million, my client has achieved spectacular success in a relatively short time through a commitment to total quality management, investment in people and superior standards of customer service.

As number two to the Managing Director, your brief will be to review current management systems and establish effective controls to lead further expansion. Whilst the main focus will be financial, you will carry additional significant line management responsibilities covering all support areas to the retail outlets including warehousing and distribution.

Graduate calibre and professionally qualified, you should have previous experience of establishing and running a financial function in a fast-moving, multi-site environment. Probably experienced at Board level, your credentials for the top must be undisputed, reflected in your skills to positively influence and develop those around you. A natural completer/finisher, you should thrive on debate and be determined to turn ideas into action.

For the right candidate, the package will not be a limiting factor and there is the possibility of an early equity stake. Relocation assistance will be offered where appropriate.

To apply, please write in the first instance enclosing full c.v. and salary details, quoting ref. 94/003 to: Andrew Harris, Executive Recruitment Director, Grant Thornton Management Consultants, St John's Centre, 110 Albion Street, Leeds LS2 8LA.

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appears in the UK edition every Wednesday & Thursday and in the International edition every Friday

For further information please call:
Gareth Jones on 071 873 3199
Andrew Skarzynski on 071 873 3607

ZAMBIA REVENUE AUTHORITY

The Government of the Republic of Zambia (GRZ) enacted in 1993 legislation to establish the Zambia Revenue Authority (ZRA). At a date to be appointed, likely to be in 1994, the ZRA will assume the functions, powers and responsibilities of GRZ's Department of Taxes and Department of Customs and Excise. An Interim Secretariat, financed by the UK Government, is helping with preparations of ZRA to become operational. The ZRA will aim to increase revenue collections and improve the efficiency and equity of revenue administration. As an independent agency, the ZRA will operate outside the civil service and establish its own systems and procedures, including terms and conditions of service for all personnel. The ZRA will be based in Lusaka.

The Governing Board of the ZRA is now seeking applications for the seven senior management posts in the new organisation. The UK Government's Overseas Development Administration has agreed to provide financial support for the appointment of suitable candidates to the following three posts:

Commissioner - General

As chief executive of the Authority, you will be responsible to the Governing Board for overall management and performance of the Authority, in accordance with the relevant legislation and GRZ's revenue objectives, and for assistance in the formulation of tax policy.

Commissioner

Income Tax Department

You will be responsible for the overall management of the Income Tax Department and for the prompt assessment and collection of all direct taxes due to the Government of Zambia.

Commissioner

Customs and Excise Department

You will be responsible for the overall management of the department of Customs and Excise (and sales tax) and for the prompt assessment and collection of all indirect taxes due to the Government of Zambia.

The above two Commissioners will be responsible to the Commissioner-General for the technical and operational management of the Department and for tax policy advice.

QUALIFICATIONS

You will require a relevant degree in economics, accountancy, law or a related discipline; alternatively career progression which has been achieved by professional revenue examinations and specialist training will be equally acceptable. You should also have at least 15 years' experience of working in revenue departments, including at least 5 years' at senior management level. Additionally, you should be able to demonstrate the leadership qualities required to meet the challenge of setting up and running a large new organisation. Overseas or private sector experience will be an advantage.

TERMS OF APPOINTMENTS

You will be offered by ZRA a three year contract on terms and conditions competitive within Zambia. In all instances, the salary package, partly paid by the Zambian Authorities and partly paid by ODA supplementation, will be in the region of £40,000-£50,000 including superannuation. Eligibility for additional ODA financial support will be restricted to nationals of the Member States of the European Community, nationals of Austria, Finland, Iceland, Norway or Sweden, and Commonwealth citizens who have the right of abode and the right to work in the UK.

Closing date for receipt of completed applications is 18 February 1994.

For further details and application form, please write to Appointments Officer, Ref No AH304/IB/FT, Abercrombie House, Eaglesham Road, East Kilbride, Glasgow G75 8EA, or telephone 0355 843232 Fax 0355 844099.

ODA is committed to a policy of equal opportunities and applications for these posts are sought from both men and women.

ODA OVERSEAS DEVELOPMENT ADMINISTRATION
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ACCA
The Chartered Association of Certified Accountants

International Relations Officer

Central London *To £30,000 + Benefits*

Are you a graduate accountant with:

- *a positive interest in international affairs and overseas work experience*
- *some experience of dealing with government institutions or professional bodies*
- *a working knowledge of French and preferably another European language?*

The ACCA is one of the world's leading accountancy bodies with over 140,000 members and students located in 130 countries. The range of international activities includes the maintenance of relations with overseas accountancy bodies, the monitoring of technical and professional developments and the provision of a range of services to members and students. The ACCA is providing valuable consultancy expertise to foster the emerging accountancy profession in Eastern Europe and China.

The ACCA seeks an International Relations Officer whose tasks will include:

- enhancing the recognition of the ACCA in targeted countries, including the USA, Canada and Australia, and liaising with local contacts.
- assisting with the development of strategies to increase awareness of the ACCA in Western Europe.
- participating on an ad hoc basis in the ACCA's projects in emerging /developing economies.
- contributing to other areas of international operations including bi-lateral committees and the maintenance of good working relations with accountancy bodies, ACCA branches and other institutions outside the UK.

This is a rewarding and challenging position with an attractive salary and benefits package. If you are interested please write to John Gregory, Search and Selection Division, Breckenridge Consultants Limited, Charter House, 426 Avebury Boulevard, Central Milton Keynes, MK9 2HS, quoting ref. 234/FT.

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The Top Opportunities section appears every Wednesday. For more information please call Philip Wrigley on 071-873 4006

CONSOLIDATION ACCOUNTANT

Competitive package ⁎ Redhill

Fisher-Rosemount is a major supplier of control equipment to chemical and process industries worldwide. With an annual European turnover of $800 million, we now seek a Graduate Chartered Accountant with previous experience of the Micro Control system, to work with our European subsidiaries.

This role is highly technical, involving the monthly consolidation of financial information for 10 European locations and high profile direct liaison with the company's top executives. In addition to the planned operational activities, there will also be considerable ad hoc project work incorporating some international travel.

With at least 2 years' industry experience in a similar role, preferably with a US subsidiary company in a multi-currency environment, you must have outstanding PC ability, particularly Lotus 123, and extensive modelling and macro skills.

Based in a newly established Headquarters, you can expect a very competitive benefits package including car. Career prospects, particularly for candidates prepared to relocate to mainland Europe, are excellent.

Please send a full CV, including details of current salary to Mr P.R. Shutter, Fisher-Rosemount Europe, Clarendon House, Clarendon Road, Redhill, Surrey RH1 1FB.

Closing date for applications 31st January 1994

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